

1. **Parties.** This is a contract for services between the State of Vermont, Department of Vermont Health Access (hereafter called "State"), and CSG Government Solutions, Inc., with a principal place of business in 180 N. Stetson Avenue, Suite 3200, Chicago, IL 60601 (hereafter called "Contractor"). The Contractor's form of business organization is an S-corporation. It is the Contractor's responsibility to contact the Vermont Department of Taxes to determine if, by law, the Contractor is required to have a Vermont Department of Taxes Business Account Number.
2. **Amended and Restated Contract.** As of April 1, 2015 the State and the Contractor originally entered into a contract relating to Independent Verification and Validation services (the "Original Contract"). As of December 31, 2017, the State and the Contractor agree to amend and restate the Original Contract, as previously amended, to read in whole as set forth in this Amendment 2 of the Original Contract. The Parties hereby affirm each of their respective representations and certifications made as of the date of the Original Contract. The Parties agree that this amended and restated agreement shall have the effect of continuing the Parties' contractual rights and responsibilities from the effective date of the Original Contract.
3. **Subject Matter.** The subject matter of this contract is services for Independent Verification and Validation ("IV&V"). Detailed services to be provided by the Contractor are described in Attachment A.
3. **Maximum Amount.** In consideration of the services to be performed by Contractor, the State agrees to pay Contractor, in accordance with the payment provisions specified in Attachment B, a sum not to exceed \$6,773,880.
4. **Contract Term.** The period of Contractor's performance shall begin on April 1, 2015 and end on May 15, 2019. The State and the Contractor have the option of renewing this contract for up to one (1) one-year extension. The retroactive start date of this Amendment 2 is January 1, 2018. Work performed between January 1, 2018 (retroactive date) and the execution of this Amendment 2 that is in conformity with Attachment A may be billed under this agreement. Contractor agrees that in exchange for the consideration of the option to bill for services performed, all terms and conditions described in this agreement shall apply to any and all services performed for or on behalf of the State. Contractor agrees that by submitting invoices or bills or otherwise seeking compensation for services performed prior to the finalization of this Amendment 2 or signing of this Amendment 2, Contractor is agreeing to the application of all terms of this contract to that period and to that work. Contractor further agrees to defend, indemnify, and hold the State harmless for any claim, dispute, non-contractual cost or charge, or any liability whatsoever, whether in law, equity, or otherwise, which arises from or is connected to the work performed prior to the execution of this agreement. Contractor further agrees that these terms apply regardless of whether the work is accepted by the State, and regardless of whether payment is issued by the State to the Contractor for the work in question.
5. **Prior Approvals.** If approval by the Attorney General's Office or the Secretary of Administration is required, (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by either or both such persons.
Approval by the Attorney General's Office is required.

Approval by the CIO/Commissioner of ADS is required.

Approval by the Secretary of Administration is required.

6. **Amendment.** No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.
7. **Cancellation.** This contract may be suspended or cancelled by either party by giving the other party written notice at least 30-days in advance.
8. **Taxes Due to the State.** Contractor certifies under the pains and penalties of perjury that, as of the date this contract amendment is signed, the Contractor is in good standing with respect to, or in full compliance with a plan to pay, any and all taxes due the State of Vermont.
9. **Child Support (Applicable to natural persons only; not applicable to corporations, partnerships or LLCs).** Contractor is under no obligation to pay child support or is in good standing with respect to or in full compliance with a plan to pay any and all child support payable under a support order as of the date of this amendment.
10. **Certification Regarding Suspension or Debarment.** Contractor certifies under the pains and penalties of perjury that, as of the date this contract amendment is signed, neither Contractor nor Contractor's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs, or programs supported in whole or in part by federal funds. Contractor further certifies under pains and penalties of perjury that, as of the date this contract amendment is signed, Contractor is not presently debarred, suspended, nor named on the State's debarment list at: <http://bgs.vermont.gov/purchasing-contracting/debarment>

11. Attachments. This contract consists of 54 pages including the following attachments, which are incorporated herein:

Attachment A - Specifications of Work to be Performed

Attachment B - Payment Provisions

Attachment C - Customary State Contract provisions

Attachment D – Other Provisions

Attachment E - Business Associate Agreement

Attachment F - Customary Contract Provisions of the Agency of Human Services

Appendix I –Required Forms

Appendix II – Task Order Form

The order of precedence of documents shall be as follows:

- 1). This document
- 2). Attachment D
- 3). Attachment C
- 4). Attachment A
- 5). Attachment B
- 6). Attachment E
- 7). Attachment F
- 8). Other Attachments

WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT.
BY THE STATE OF VERMONT: BY THE CONTRACTOR:

e-Signed by Cory Gustafson
on 2018-03-03 07:01:05 GMT March 03, 2018

CORY GUSTAFSON, COMMISSIONER DATE
208 State Drive, NOB 1 South
Waterbury, VT 05671
Cory.Gustafson@vermont.gov
802-241-0239

e-Signed by Michael Cooney
on 2018-03-02 22:01:34 GMT March 02, 2018

MICHAEL COONEY, CHIEF OPERATING OFFICER DATE
180 N. Stetson Avenue, Suite 3200
Chicago, IL 60601
Mcooney@csgdelivers.com
847-507-4129

ATTACHMENT A
SPECIFICATIONS OF WORK TO BE PERFORMED

A. Acronym Clarification

AHS = Vermont Agency of Human Services
CMS = Center for Medicare and Medicaid Services
CSG = CSG Government Solutions
DDI = Design, Development, Implementation
DED = Deliverable Expectation Document
DVHA = Department of Vermont Health Access
EPMO = Enterprise Project Management Office
IEEE = Institute of Electrical and Electronic Engineers
HSE = Health and Human Services Enterprise
MMIS = Medicaid Management Information System
PBM = Pharmacy Benefits Management
PMBOK = the Project Management Institute's (PMI's) Project Management Body of Knowledge
IV&V = Independent Verification & Validation
SDLC = System Development Lifecycle
SLR = Service Level Requirements
UAT = User Acceptance Test

B. THE CONTACTS FOR THIS AWARD ARE AS FOLLOWS:

	<u>State Fiscal Manager</u>	<u>State Authorized Representative</u>	<u>For the Contractor</u>
Name:	Meaghan Kelley	Joseph Liscinsky	Dawn Boland
	Contract Administrator	MMIS Program Deputy Lead	Account Executive
Phone #:	802-585-0302	802-233-6212	518-779-2852
E-mail:	<u>Meaghan.Kelley@vermont.gov</u>	<u>Joseph.Liscinsky@vermont.gov</u>	<u>DBoland@csgdelivers.com</u>

C. NOTICES TO THE PARTIES UNDER THIS AGREEMENT

To the extent notices are made under this agreement, the parties agree that such notices shall only be effective if sent to the following persons as representative of the parties:

	STATE REPRESENTATIVE	CONTRACTOR
Name	Office of General Counsel	Michael Cooney
Address	NOB 1 South, 280 State Drive Waterbury, VT 05671	180 North Stetson Ave, Suite 3200 Chicago, IL 60601
Email	Ahs.dvhalegal@vermont.gov	mcooney@csgdelivers.com

The parties agree that notices may be sent by electronic mail except for the following notices which must be sent by United States Postal Service certified mail: termination of contract, contract actions, damage claims, breach notifications, alteration of this paragraph.

D. Overview

Contractor shall conduct separate Independent Verification and Validations (IV&V) for the following State MMIS projects, which shall be collectively referred to herein as "Projects":

1. Full life cycle IV&V for the modules or other CMS approved activities that comprise the Medicaid Management Information System ("MMIS");
2. Design, Development and Implementation of a Pharmacy Benefits Management ("PBM"); and
3. Care Management.

E. Task Approval Process

All work must be pre-approved by the State Authorized Representative(s). The State reserves the right to refuse any deliverable required under this contract for failure to sufficiently incorporate the deliverables detailed and contracted for.

All work must be reviewed and accepted by the State Authorized Representative(s) before the Contractor may submit an invoice to the State.

F. Tasks

TASK 1 - Develop, Maintain, and Execute the IV&V Plan

The Contractor will develop an IV&V Plan during Project Initiation including a project schedule, and will maintain and execute the IV&V Plan throughout the duration of the contract. Project Initiation activities that support TASK 1 Deliverables include:

1. Holding an initial introductory meeting with the State Authorized Representative and MMIS Project Managers, and Business Leads to understand the State's expectations for the IV&V project, status for MMIS Projects (PBM, Care Management, and MMIS modules or other CMS approved activities), review project templates, and discuss any required forms for the IV&V staff (e.g., project document repository access request form).
2. Preparing and submitting a document request to the State Authorized Representative for foundational level project documentation, such as an organizational chart, HSE/MMIS program structure, project contact lists by role (including state and vendor contacts), vendor project schedules and a schedule of existing standing meetings by project.
3. Obtaining access to the State's SharePoint sites.
4. Developing an IV&V Plan and Work Plan. The IV&V Plan will include processes for governing the ongoing management of project scope, schedule, cost, quality, resources, risks, issues, and communications, and the Work Plan will include milestones for State and DDI Vendors' tasks that are dependencies for completing IV&V deliverables defined in this contract. The IV&V Plan will also detail when and how the DDI Vendors will be engaged in the process.

TASK 1A – High Level IV&V Plan

The Contractor's High Level IV&V Plan shall include evaluation of the State and DDI Vendor's activities, aligned according to PMBOK® phases and the needs of the State, and State Medicaid Project Schedules. The IV&V Plan shall describe the Contractor's Methodology for delivering IV&V services for the Medicaid Projects, and will include key SDLC phase focus areas, including the following:

1. Project Governance and Management
2. Strategy/Planning/Procurement Life Cycle
3. Requirements Analysis and Management
4. Use Case Development and Application (e.g., Supporting Design, Development, Testing, User)
5. System Design (e.g., Conceptual and Detailed Designs)
6. Development Methodology and Tools
7. Testing Plan, Methodology and Reports (e.g., System, Integration and User Acceptance Testing)
8. Defects Prevention, Detection and Fixes
9. Integration and Interface Control Plan, Activities and Reports
10. Configuration Management
11. Data Standards, Conversion Planning and Execution
12. Security and Privacy
13. Deployment Planning and Alternatives
14. User Training Plan and Implementation
15. Knowledge Transfer and Transition Planning
16. Hosting Environments
17. Warranty Requirements and Compliance

At the conclusion of each IV&V project, the Contractor will facilitate a transition of all deliverables, artifacts, and information to State staff. The Contractor will share knowledge of all project activities, tasks, and documents readily and openly through the project life cycle, and shall formally transition this information during Project Closing.

The Contractor will ensure that all project data, artifacts, reports, and deliverables are housed in a project repository throughout the course of the project life cycle, which shall be hosted on both TeamCSGSM and on State infrastructure (State SharePoint). The Contractor will turn over the project repository to State staff upon completion of the IV&V contract. The Contractor will modify Contractor's standard close out process to meet specific State requirements.

TASK 1B – Comprehensive IV&V Plan

Building upon the High Level IV&V Plan described in TASK 1A, Contractor shall detail the its approach to managing the IV&V services for the MMIS Projects, applying the standard principles of PMBOK® and IEEE. The Comprehensive IV&V Plan will include processes for governing the ongoing management of project scope, schedule, cost, quality, resources, risks, issues, and communications. Contractor will facilitate a meeting with the State Authorized Representative to review the Comprehensive IV&V Plan DED and solicit any feedback. Contractor shall incorporate any changes into the DED and submit a final version to the State for approval. The DED will be used as an outline to develop the Comprehensive IV&V Plan. The Contractor will develop a Comprehensive IV&V Plan, which will be submitted to the State Authorized Representative for approval within

10-days of contract execution.

TASK 1C – IV&V Plan Updates

The Contractor will maintain the IV&V Plan as needed, or as required by the State, throughout the project life cycle. This is done as a normal course of project execution and is not a payment deliverable.

TASK 1D – Work Plan

Contractor shall revise the preliminary Work Plan it submitted in response to RFP 03410-141-15 to align with the existing DHVA MMIS Projects' schedules gathered during Task 1 Project Initiation activities (described above). The Work Plan shall include milestones for DDI Vendors' tasks that are dependencies for completing IV&V deliverables, as well as Contractor resource assignments for completing project tasks and deliverables. The revised Work Plan will be submitted to the State Authorized Representative within 15 days of contract execution. The Contractor will apply the standard principles of the IEEE and PMBOK.

TASK 1E – Work Plan Updates

Throughout the project life cycle, at the State's request the Contractor will update the IV&V Work Plan to include new or revised activities, deliverables, schedules and/or staffing to address various needs of the MMIS Program, as defined in the State's Medicaid Enterprise Work Plan. Contractor will submit the updated IV&V Work Plan and additional Contractor staff requirements to the State for review and approval. The State Authorized Representative will review and approve, or request changes to, the work plan and Contractor staffing within 10 days. The SME hours pool will be used to fund approved increases in Contractor staff. The State may replenish the SME hours pool from time to time to support additional Contractor staffing needs.

TASK 2 - Perform Initial, Periodic, and Final IV&V Assessments

The IV&V assessments and corresponding reports provide an independent, objective perspective representing a point-in-time snap shot of the health of the Projects. To complete the Initial, Periodic, and Final IV&V Assessments, the Contractor will perform independent research; attend project meetings to understand project processes, current activities, and status; and coordinate and facilitate brief interviews with key project stakeholders as needed. The IV&V assessments and corresponding reports will include:

1. Bi-Weekly Status Reports
2. Executive Status Reports
3. Ad Hoc Reports
4. Meeting Minutes (for Contractor-led meetings)
5. Ongoing Risk and Issues Management
6. Vendor Deliverable Reviews

TASK 2A – Initial IV&V Report

The Initial IV&V Report provides a comprehensive initial assessment of the Projects and analyzes project management plans, processes, documents, schedules, risks, issues, budgets, and requirements. To conduct the Initial IV&V Assessment, the Contractor uses a Risk Assessment Checklist customized to the Projects and analyzes existing PBM project documentation collected from the State during Project Initiation. A baseline report shall provide an initial project "health check" for the PBM Project and is submitted within 45 days of contract execution.

Contractor will work with the State to develop the schedule for the initial assessment for all future MMIS modules and initiatives per the State's Medicaid Enterprise Work Plan. The Initial IV&V Report may be included as a chapter in the monthly Consolidated Periodic IV&V Report, as described in Task 2B.

TASK 2B – Consolidated Periodic IV&V Reports

The Contractor will complete Consolidated Periodic IV&V Reports on a monthly basis throughout the engagement, submit them to the State Authorized Representative for review and approval by 5:00PM EST on the fifth business day of each new month. These monthly assessments are driven by the Projects' areas of highest risk and tied to software life cycle development milestones. To complete the Periodic IV&V Reports the Contractor leverages the prior Risk Assessment Checklist and defines any specific area(s) of focus with the State based on the Projects status, areas of concern, and the SDLC phase. Periodic Reports will address (per 45 CFR 95.626) project management of both the State and Contractor, technical aspects of the Projects, user involvement, buy-in that the system will support the program business needs, review of past project performance, risk management process. The Contractor will deliver monthly consolidated reports for all MMIS Program projects that were active during the reporting period. Each project will be assessed independently (represented as a section in the report) and any dependencies across projects or overarching risks will be addressed in a front section of the report. The contractor will produce 42 monthly reports for reporting period beginning October 1, 2015 with final reporting period through March 31, 2019.

The Contractor is responsible for the development, delivery and support of all assessments and reports sent to the State and Federal partners, including all status reporting. Contractor shall manage this Contract and report to the State on scope, schedule and budget and resources.

The Contractor's IV&V Project Manager will:

1. Provide the State with an overview of the proposed framework for evaluation of project performance
2. Ensure the Work Plan accurately reflects the activities and completion dates for the IV&V assessments
3. Collect information from various sources such as interviews, project documentation, participation in meetings, and other sources
4. Analyze information collected using the agreed upon frameworks and standards to assess performance
5. Draft the IV&V assessment to include recommendations on how to address the highest priority improvement opportunities
6. Deliver the IV&V assessment to the appropriate stakeholders from the State and Federal agencies concurrently
7. Review the IV&V assessment with the State, DDI Vendor and/or other stakeholders and prepare minutes from the meeting
8. Update the assessment to correct mistakes of fact, if needed, and provide a final version of the IV&V assessment to the stakeholders previously identified

The Contractor's IV&V Functional Lead, Technical Lead, and Subject Matter Experts will provide input to the Periodic IV&V Reports.

TASK 2C – Final IV&V Report(s)

Contractor shall deliver a final IV&V Report for each MMIS Project, included as a chapter in the monthly Consolidated Periodic IV&V Report delivered for the reporting period in which the project is deemed to be

complete. Project completion is defined as State's official transition and close out from DDI to Maintenance and Operations or 10 days prior to the IV&V contract end date. The final IV&V Reports shall consist of Contractor's final written assessment that the systems demonstrate Project requirements and meet defined acceptance criteria. The Contractor will conduct the final assessments by gathering inputs and using the Risk Assessment Checklist. The Contractor shall also facilitate Lessons Learned sessions for each Project and compile the Lessons Learned information for inclusion in the Final IV&V Reports.

TASK 2D – Meeting Minutes (for meetings facilitated by the IV&V Contractor)

The Contractor shall produce meeting minutes resulting from meetings used to review the IV&V assessment with the State, DDI Vendor, and/or other stakeholders. The Contractor ensures that summaries are complete and accurate and that all decisions, action items, risks, and issues are appropriately noted.

TASK 2E - Perform Ongoing Risk and Issues Management

The Contractor shall identify, capture, and communicate to the State all risks and issues; perform risk analysis to determine importance and whether or not the risk/issue is within the Project's control; propose mitigation or corrective action plans; and review risk, issues, and corrective actions plans with the State. Contractor shall include its Risks and Issues Report in the Bi-weekly IV&V Status Report, which shall be reviewed with the State during the Bi-Weekly Status Meetings. If a Risk/Issue is deemed urgent, Contractor shall immediately notify the State, so that corrective action can be initiated without regard for the schedule of Bi-Weekly Status Meetings.

Risk and Issues Management is comprised of the following sub-tasks, which will be the Consolidated Periodic IV&V Report (tasks 2E.1 – 2E.2).

TASK 2E.1 – Risk and Issues Log (and/or Inputs to the Project Risk and Issues Log)

During Project Initiation, the Contractor will establish an online Risk Assessment Tracking Tool in TeamCSGSM that provides a platform for risks and issues identified for the Projects to be reviewed, triaged, assigned, and tracked. For the Projects, the Contractor will identify risks and issues and determine which risks and issues might affect the Project and are either within or outside of the Medicaid Project's control. The Contractor shall prioritize risks and issues based upon its assessment of the probability and consequence of each risk and issue so that the State may determine which risks the State should focus on based on risks or issues of greatest importance.

TASK 2E.2 – Recommended Risk/Issue Responses (e.g., for risks accept, transfer, mitigate, avoid) and Action Plans

The Contractor will prepare action plans to enhance opportunities or minimize threats to the State Authorized Representative. The Contractor shall communicate risks/issues to the State and monitor the execution of action plans and evaluate their effectiveness, track and review residual risks, and identify any new risks or issues through participation in project meetings, observance of project management activities and processes, and targeted interviews with key project staff as needed.

TASK 2F – Review and Evaluate Plans, Processes and Deliverables

The Contractor will conduct formal, independent, and detailed assessments of the MMIS program State and DDI Vendor activities planned, associated business and technology processes, and MMIS State and DDI Vendor deliverables including those produced by the State and any third parties with which the State may engage for the

creation of MMIS State and DDI Vendor deliverables. This also includes a review of past project activities including requirements gathering and procurements, which, in the opinion of Contractor are required in order to make observations and to suggest improvements which will result in improved MMIS program performance. The sub-tasks for Deliverable Reviews will be reported on in the monthly Consolidated Periodic IV&V Reports (2F.1 – 2F.5).

TASK 2F.1 – Deliverable Review Procedures (Within Comprehensive IV&V Plan)

For each DDI Vendor deliverable, the Contractor will conduct a review tailored to the subject matter presented. Since the content and purpose of each State and DDI Vendor deliverable varies, the type of review will also vary. The State and DDI Vendor deliverable review process is part of the Quality Management plan for this engagement and will be detailed in the Contractor's Comprehensive IV&V Plan.

TASK 2F.2 – Review of Deliverable Expectation Documents (DEDs)

As applicable, the Contractor will review the DDI Vendors' DEDs to assess adherence to IEEE 1012 standards as applicable. The Contractor will make recommendations for deliverable acceptance criteria to ensure the DEDs and subsequent deliverables are thorough, comprehensive, and meet state and federal requirements.

TASK 2F.3 – Recommendation to Accept/Reject Deliverables with Supporting Comments

The Contractor will review and evaluate the Project DDI Vendors' Deliverables for correctness, accuracy, completeness, and readability within five (5) business days of submission. Additionally, the Contractor will use the appropriate industry standards and guidelines in the review of the deliverables. In some cases, the standard may have been specified via the contractual documents, while in other cases it may be a best practice for the specific subject matter. The Contractor will vary its reviews according to the guidance set forth in IEEE 1012 for each phase of the SDLC and to ensure that the deliverables meet the expectations set forth and agreed to in the DED. The Contractor will also lead the deliverable review walkthroughs with the State, as appropriate and document findings and recommendations to either accept or reject the deliverable. The State and the Contractor will have five (5) business days for concurrent review of the deliverables. The State will then meet with the Contractor for the deliverable walkthrough meeting. This meeting will take place within the 4th business day of the concurrent review. If the reviewed deliverable requires changes, the follow up review time will be four (4) business days.

TASK 2F.4 – Report on Status of Actions to Address Deliverable Deficiencies

Should deficiencies be identified during the Deliverable Reviews (TASK 4C), the Contractor will track these deficiencies through resolution. The status of actions to address deliverable deficiencies will be reported in the IV&V Bi-weekly Status Reports (TASK 6A). The Contractor and the State will continuously evaluate /review the deliverables and any subsequent changes as well as impacts, until each deliverable has been approved. This is done as a normal course of project execution.

TASK 2F.5 – Meeting Minutes

The Contractor will facilitate meetings to review IV&V recommendations on deliverable acceptance and will produce meeting minutes. The Contractor will ensure that summaries are complete and accurate and that all decisions, action items, risks, and issues are appropriately noted. Meeting Minutes will be distributed within two business days of the meeting.

TASK 2G – Report on Status

The Contractor shall have bi-weekly status meetings with the State to provide an update regarding: (i) the IV&V activities and deliverables in accordance with the Work Plan; (ii) results from the ongoing risk and issue management task (Task 2E); and (iii) outstanding actions from the Review and Evaluate Vendor Deliverables task (Task 2F). The project status is included in Task 2 monthly Consolidated Periodic IV&V Report (including subtasks 2G.1-2G.4)

In advance of each meeting, the Contractor will prepare a written report covering the following information in the format designated by the State:

1. Reporting time period
2. Summary of the current status (e.g., schedule, scope, budget, risks, issues)
3. Major activities and deliverables completed in the last reporting period
4. Major upcoming activities and deliverables for the next reporting period
5. Status of existing risks/issues and identification of new risks/issues
6. Other relevant topics (e.g., scope changes, decisions made)

In addition, the Contractor shall:

- i. Provide periodic executive status reports on IV&V reviews and recommendations to stakeholders such as the Executive Committee and Medicaid project teams regarding project status and risk anticipation, prevention and mitigation.
- ii. Develop and deliver ad hoc reports regarding the IV&V efforts to stakeholders such as the Executive Committee and Medicaid project teams upon request.
- iii. Prepare and distribute minutes from the meetings to discuss the status and other IV&V reports to stakeholders such as the Executive Committee and Medicaid project teams.

TASK 2G.1 – Status Reports

The Contractor will produce and submit Bi-Weekly Status Reports that summarize the IV&V Project plan activities, observations of Project activities, including issues and risks, and any changes in the availability of key IV&V personnel. In addition, the status reports will include a listing of all expected IV&V contract deliverables, expected delivery date, and status. The Contractor will facilitate a status meeting to review the Bi-Weekly Status Reports with the State Authorized Representative and any other designated project staff.

TASK 2G.2 – Executive Status Reports and Ad-hoc Reports

The Contractor will develop a Monthly Executive Status Report, in conjunction with the monthly Periodic IV&V Reports, that includes a dashboard summary of the Project, key risks, an overall summary of Project observations and recommendations from the IV&V team, as well as progress made since the previous review. The Contractor will deliver the Executive Status Reports along with the monthly Periodic IV&V Reports, by the 5th business day of the month. Additionally, the Contractor will produce periodic Ad Hoc Reports to communicate status and address important Project topics throughout the life of the Project upon written request by the State Authorized Representative.

TASK 2G.3 – Operational Readiness Dashboard

The Contractor will develop and publish an Operational Readiness Dashboard 60 to 90-days prior to system implementation for the Projects that identifies technical and functional tasks used to measure readiness for implementation. The Contractor will collaborate with Projects' Project Managers to customize the Operational Readiness Checklist to meet project-specific needs. The Contractor will maintain the Dashboard to track completion of Operational Readiness activities and to support the State's implementation decision-making process.

TASK 2G.4 – Meeting Minutes

The Contractor will document Meeting Minutes resulting from bi-weekly status report meetings with the State and will ensure that minutes are complete and accurate and that all decisions, action items, risks, and issues are appropriately noted. Contractor shall distribute Meeting Minutes stakeholders such as the Executive Committee and Medicaid Project teams within two business days following the meetings.

TASK 3 – Support MMIS Certification

TASK 3A – Prepare and Facilitate Certification Training for State Staff

To support federal systems certification, the Contractor will provide Certification training for Project staff at the initiation of each module. This training will provide an understanding of expectations, including the role of IV&V, the process for completing the Quarterly IV&V Progress Reports, and preparing for Milestone Reviews with CMS.t.

TASK 3B – Evaluation of DDI Outcomes Against CMS Certification Expectations

Throughout the Projects' life cycle, the Contractor will assess the State's compliance with CMS Certification including adherence to MITA 3.0, Vermont's MITA SS-A, and the Seven Conditions and Standards. The Contractor will provide support and oversight to the State and DDI Vendors' effort to prepare for the Certification, conduct a mock Certification Review to evaluate certification compliance, and work with the State and DDI Vendor to develop the Vermont-specific Certification checklist requirements. This evaluation is performed quarterly throughout the Project life cycle in alignment with the Medicaid Enterprise Certification Lifecycle.

TASK 3C – CMS Visit Support (before, during, and after)

The Contractor will review the necessary documentation and artifacts to ensure required documentation is submitted to CMS in advance of the scheduled certification review and will participate in the CMS Certification Review process and any meetings requested by the State. The Contractor will monitor and track the status of any identified gaps or updates to the review documentation required by CMS pre/during and post meetings with CMS. Contractor shall review the CMS Certification Report and, if needed, prepare a formal response on behalf of Vermont at the direction of the State Authorized Representative. The Contractor will provide information regarding the impact of Gate Review on the CMS Certification process.

TASK 3D – CMS Certification Report Review and Response

Upon receipt of the CMS Certification Review Report, the Contractor shall review the report and provide recommendations to the State Authorized Representative for inclusion in the CMS Certification Review Response Letter.

TASK 4 – Subject Matter Expertise

To conduct Tasks 1 – 3, in addition to the key staff, the Contractor shall provide subject matter experts (SMEs), with prior experience in the implementation and/or operation of similar systems/functions. The Contractor shall provide a total of 12,202 SME hours for the current contract period, which will be used as agreed upon with the MMIS Program Deputy Lead.

SMEs will be used to provide expertise in executing the following activities to support Tasks 1 – 3:

- Verify DED for each deliverable, as applicable
- Evaluate vendor deliverables against the approved DEDs for completeness
- Provide recommendations for improvements and modifications based on industry experience
- Participate in requirements validation, joint application design, and system configuration sessions to identify risks and issues that may affect the project if not mitigated or resolved
- Verify processes and standards support the early identification and remediation of defects in project deliverables
- Ensure that DDI Vendors tools do not conflict with, or present compatibility issues for tools or standards, including EPMO standards, for future State initiatives
- Evaluate completeness of testing based on required system functionality
- Participate in project status meetings, vendor status meetings, design sessions, testing triage, test results review and defect resolution meetings to provide project specific expertise.
- Participate in periodic review and provide recommendations based on industry and State best practices
- Support system certification training and preparation activities

SME hours utilized in the reporting period will be included in the Consolidated Periodic IV&V Report, with budget and actual usage of the project to-date by MMIS project; as well as projected usage for the next two reporting periods. The following summarizes the SME hours projected in the base contract with the new hours added to support the contract through May 15, 2018:

Subject Matter Expert	Original Proposed Hours	Actual Hours as of 10/31/17	Net Hrs Remaining as of 10/31/17	New Hours	Net Hours Remaining
Pharmacy SME	560.0	2080.0	(1,520.0)	1,520.0	-
Care Management SME	1,360.0	2,382.5	(1,022.5)	1,022.5	-
Technical SME	0.0	190.0	(190.0)	190.0	-
Privacy and Security SME	0.0	169.5	(169.5)	169.5	-
Functional SME	0.0	55.0	(55.0)	55.0	-
MITA SME	0.0	40.0	(40.0)	40.0	-
Certification SME	0.0	715.0	(715.0)	2,563.0	1,848.0
MMIS SMEs	7,160.0	0	7,160.0	-2,438.0	4,722.0
Total	9,080.0	5,632.0	3,448.0	3,122.0	6,570.0

The Task Order process (as described below) may be executed to assign additional SME hours to the MMIS projects.

TASK 5 TASK ORDERS – Defect Prevention, Detection, and Fixes (Ad Hoc Section)

The State may request additional services to augment and clarify the scope of work described in Tasks 1-4 of this Contract. Such services will be authorized by the State through a Task Order. The task order process may also be executed to assign additional SME hours to the MMIS projects.

1. Task Orders shall not be used to change the maximum amount under this Contract. Both parties recognize that the task order process does not obviate the need for State or federal regulatory review of amendments to the scope, budget, or maximum amount of this agreement.
2. Task orders are intended to clarify and augment Tasks 1 through 4. Clarified and/or additional tasks under the Task Order section of this agreement shall be submitted, in the form of a request for a task order proposal to the Contractor by the State or to the State from the Contractor. Upon review of the proposal, the State and Contractor must complete the Task Order Form (Appendix II). The Contractor has the right to submit modifications or deny any Task Order submitted by the State. The State can submit modifications or deny proposed Task Order submitted by the Contractor. The final Task Order document shall receive approval by the State, and be signed by the Contractor, the State Authorized Representative, and the DVHA Business Office. The Task Order must indicate: scope, source of funds, payment provisions, points of contact, ownership of data and any applicable data use agreement, and project specifics. No task order may increase the maximum amount payable under this contract, substantially deviate from the scope of this contract, or deviate from any term in any part or attachment to or of this contract. The task order process shall not be used in lieu of the amendment process where an amendment is appropriate. Each Task Order must clearly define payment either by rate per hour or deliverable received and approved. Each Task Order must be pre-approved before any work shall begin. The State will not pay for services that are not previously approved in a Task Order. The State will have final authority over whether or not a Task Order is initiated under this agreement.
3. Total payments to Contractor for work requested by one or more Task Orders shall not exceed \$175,000 for the term of this Agreement. Task Orders may be exercised at the discretion of the State, across any or all MMIS DDI Projects.
4. Changes to a Task Order shall be accomplished by written modification as agreed to by both parties listed below and will be reflected in a new Task Order. The Contractor shall use the Task Order form in Appendix II in order to request a task order.
5. At the conclusion of a Task Order, the final deliverables/products prepared in accordance with the terms of the executed Task Order will be submitted to the State. Acceptance of the deliverables/products by the State shall represent the Contractor's fulfillment of the project assignment.
6. Ad-Hoc phone calls and e-mail communications from various State staff will not be paid for under this Contract unless previously approved with a Task Order by the Authorized Representatives of the State.

Task 5A – Task Order #001: Human Services Enterprise (HSE) Platform Technical Readiness Assessment

For the period of October 19, 2015 through January 15, 2016, the Contractor will complete a technical assessment of the Agency of Human Services (AHS) Health and Human Services Enterprise (HSE) Platform. This assessment will verify for AHS that the infrastructure and capabilities envisioned are available and consumable for the Integrated Eligibility (IE) system and Medicaid Management Information Systems (MMIS) vendors. Contractor shall complete the following activities by December 18, 2015:

1. **Review the current status and plans.** Contractor shall conduct a comprehensive initial review of the HSE Platform including HSE environments, services, and systems. The review examines current roadmap documents as well as other relevant background documentation such as program strategic and tactical plans. The Contractor shall also conduct interviews of key stakeholders, as needed, to gain an understanding of the State's environments, challenges, opportunities, and strategies.
2. **Determine artifact completion and compliance.** The Contractor shall meet with the State Authorized Representative and project team prior to the project start to determine the relevant documents and artifacts for review according to the methodology and framework established standards. Each document is reviewed for relevance, appropriate level of detail, completeness, readability, and compliance with HSE standards.
3. **Determine Service Oriented Architecture (SOA) compliance.** The Contractor shall examine and evaluate the HSE SOA infrastructure platform, and its supporting governance and enterprise architecture practices. The Contractor shall assess that SOA standards and principles such as Modularity, Loose Coupling, Abstraction, Reusability, Transparency, Discoverability, and Interoperability are supported and the level to which they are supported.
4. **Determine Multi-Vendor Integration Environment (MVIE) readiness.** The Contractor shall assess the initial relationships between the HSE Programs, Projects and Platform, and then correlate the transition architectures, roadmap and staffing plans to determine the approach to decomposition of the areas of interest listed above. The Contractor shall step through the phases of a typical project life cycle to see how the HSE Programs, Projects and Platform are impacted and document the consistency in the previously described items of interest.
5. **Identify Platform readiness strengths, gaps, and risks.** The Contractor shall use the findings from the prior activities; focus on determining the strengths and weaknesses (gaps and/or risks) of the HSE Platform as it pertains to the ability to onboard vendors, services, and capabilities.
6. **Develop actionable recommendations.** The Contractor shall make actionable recommendations to address the gaps and risks identified in the assessment.

Deliverables

7. **Weekly Status Report.** The Contractor shall deliver a Weekly Status Report. The report shall outline the status of the assessment and any known risks and issues. The report shall also include any gaps or risks identified for the HSE Platform to ensure that AHS is informed and there are no surprises with the final report. The reports are due weekly during the term of this Task Order by end of business day on Monday following the reporting period.

8. **HSE Platform Technical Readiness Assessment Report Deliverable Expectation Document (DED).** The DED is an outline of the deliverable as well as a description of each section's contents. The Contractor shall review the DED with the State Authorized Representative within three days of the project start to gain their acceptance of the deliverable content and to verify the report meets AHS' expectations.
9. **HSE Platform Technical Readiness Assessment Report.** Contractor shall deliver a written report that summarizes the results of the assessment and provides detailed strengths, gaps, risk and actionable recommendations for AHS consideration. The Contractor shall conduct a deliverable walkthrough meeting with the State Authorized Representative and other defined stakeholders to review the report at the completion of the project. This deliverable includes the following components:
 - a. A high-level depiction of the current operational environments that fall within the HSE and the HSE Program roadmap phases is produced and included in the HSE Platform Technical Readiness Assessment Report. This includes details of the technologies comprising HSE's shared components and services, how they are currently deployed in the enterprise, system constraints, and HSE's plans and directions for future implementation.
 - b. A detailed list of reviewed artifacts, the degree of completeness, and how well each artifact matches the stated criteria and those artifacts that Contractor believes are missing or were not available for the review (if any).
 - c. The findings relative to the maturity level of the environment. This information is used as a primary input in determining platform readiness strengths, gaps and risks.
 - d. The strengths and weaknesses (gaps and/or risks) of the HSE Platform as they pertain to the ability to onboard vendors, services, and capabilities.
 - e. Actionable recommendations to ensure that the HSE Platform is ready for on-boarding of system vendors for Integrated Eligibility / Benefits Management and Medicaid Core

AHS will complete an initial review of the HSE Platform Technical Readiness Assessment Report and provide feedback within ten (10) business days of deliverable submission. The Contractor will address any comments within five (5) business days and will resubmit the report for AHS approval.

Cost is based on an estimate of the hours required to complete the activities identified in this SOW including the approval of the final deliverable, the HSE Platform Technical Assessment Readiness Report. Payments for work performed under this task order will be governed by the payment terms in Attachment B. The Contractor shall submit detailed invoices for the hours expended on a monthly basis, including a description of all work performed under this Task Order during the invoice period, the individuals who performed the work and applicable hourly rates as set forth below. Invoice amounts shall reflect a 10% holdback amount (retainage). Upon final acceptance of the HSE Platform Technical Readiness Assessment, Contractor shall submit a single invoice for all retainage withheld under this Task Order. The total amount invoiced under this Task Order shall not exceed \$73,440. All invoices submitted under this Task Order shall include the following reference number "Contract # 28461 – Task Order 01" and shall clearly identify the time period for which the invoice is submitted.

Resource	Position	Hourly Rate	Estimated Hours	Estimated Cost
Monty Fleenor	Technical Expert	\$190	256	\$48,640
Tim Saar	Technical Lead	\$200	76	\$15,200
Dale Posont	Technical Lead	\$200	48	\$9,600
Total			380	\$73,440

F. Request for Approval to Subcontract

Per Attachment C, Section 19, under no circumstance shall the Contractor enter into a sub-agreement for any work required under this Contract without prior authorization from the State. Before the Contractor can subcontract any work under this agreement, the Contractor must submit a Request for Approval to Contract form, attached hereto as Appendix I (Required Forms) to:

Joseph Liscinsky
MMIS Program Deputy Lead
Department of Vermont Health Access
(802) 233-6212
Joseph.Liscinsky@vermont.gov

Meaghan Kelley
Contracts & Grants Unit, DVHA Business Office
280 State Drive, NOB 1 South
Waterbury, VT 05671
Meaghan.Kelley@vermont.gov

Upon receipt of the Request for Approval to Contract form, the State shall review and respond to the request within five (5) business days.

Contractor shall be responsible for directing and supervising each of its subcontractors and any other person performing any of the Work under an agreement with Contractor. Contractor shall be responsible and liable to the State for all acts or omissions of subcontractors and any other person performing any of the Work under an agreement with Contractor or any subcontractor.

Should the status of any third party or Subcontractor change, the Contractor is responsible for updating the State within fourteen (14) days of said change.

G. CMS Required Language

Conflict of Interest

Any contractor (and its subcontractors) serving in the role of independent verification and validation (IV&V) service contractor/provider to the state Medicaid Management Information System (MMIS) project is prohibited from soliciting, proposing, or being awarded any project management, quality assurance, software design, development, or other manner of planning, design, development, or implementation phase activity on the MMIS

project for which these IV&V services are being procured.

This exclusion is executed in accordance with federal regulations at 45 CFR 95.626, which require that this IV&V effort "... be conducted by an entity that is independent from the State (unless the State receives an exception from the CMS/HHS)."

For purposes of clarity, the Center for Medicaid and CHIP Services (CMCS) defines "the State" in the above regulatory citation as being a state's IT project, and the umbrella agency or department. The primary purpose of this exclusion is to ensure that the IV&V service provider avoids any real or perceived conflicts of interest. For federal purposes, the scope of IV&V includes planning, management, and other programmatic activities in conformance with the term's usage in federal regulations at 45 CFR 95.626.

Independent V&V is the set of verification and validation activities performed by an agency not under the control of the organization developing the software. IV&V services must be provided and managed by an organization that is technically and managerially independent of the subject software development project. This independence takes two mandatory forms.

First, technical independence requires that the IV&V services provider organization, its personnel, and subcontractors are not and have not been involved in the software development or implementation effort or in the project's initial planning and/or subsequent design. Technical independence helps ensure that IV&V review reports are free of personal or professional bias, posturing, or gold plating.

Second, managerial independence is required to make certain that the IV&V effort is provided by an organization that is departmentally and hierarchically separate from the software development and program management organizations. Managerial independence helps ensure that the IV&V service provider can deliver findings and recommendations to state and federal executive leadership and management without restriction, fear of retaliation, or coercion (e.g., reports being subject to prior review or approval from the development group before release to outside entities, such as the federal government).

Overview of the MMIS Certification Life Cycle

The Medicaid Certification Enterprise Lifecycle (MECL) administered by CMS contains four life-cycle phases and three types of certification milestone reviews. The milestone reviews occur at different phases of system/module development. The types of milestone reviews are the Project Initiation Milestone Review, the Operational Milestone Review, and the MMIS Certification Final Review. The life cycle and its milestone reviews are explained in detail in the CMS Medicaid Enterprise Certification Toolkit.

Reviews should include Project Initiation Milestone Reviews, Operational Milestone Reviews, and MMIS Certification Final Reviews, determined by the State of Vermont's release plan. The exact number of milestone reviews will be determined by the State's release plan.

IV&V Scope of Services

The contractor shall provide IV&V services for CMS and the State of Vermont in support of the MECL in accordance with guidance found in the Medicaid Enterprise Certification Toolkit.

Progress Reports and Medicaid Enterprise Certification Checklists

At least quarterly, the IV&V service provider produces MMIS IV&V Progress Reports that objectively illustrate the strengths and weaknesses of the project and provide recommendations for correcting any identified weaknesses. MMIS IV&V Progress Reports are prepared in advance of MMIS milestone reviews with CMS.

The IV&V service provider staff will interview and observe the MMIS project management staff, and the MMIS project development contractor staff (including any subcontractors). Service provider staff also will observe project meetings and activities to understand the processes, procedures, and tools used in the MMIS program and MMIS project environments. They will review and analyze all applicable and available

documentation for adherence to accepted, contractually defined industry standards. The IV&V contractor will fill out the reviewer comment portion of the Medicaid Enterprise Certification Checklists and append them to the progress report.

In preparation for the MMIS milestone reviews, the IV&V provider shall evaluate state documents and evidence, along with any working modules/code applicable to that particular review, and complete the reviewer comments portion of the Medicaid Enterprise Certification Checklists. The completed checklists are appended to the MMIS IV&V Progress Report. The progress report shall be delivered two weeks prior to the scheduled MMIS milestone review.

The IV&V service provider shall provide the MMIS progress reports to CMS at the same time they are presented to the state. This reporting process, in accordance with federal regulations, includes final report issuance as well as all draft report submissions.

Oversight

IV&V services will be part of the larger oversight of the day-to-day operations and management of the MMIS project. The IV&V service provider shall have complete access to MMIS documents, facilities, and staff during normal business hours, as required to carry out its oversight role. The IV&V contractor shall have access to all key staff on site at the MMIS project location(s) daily, as needed to observe meetings, review deliverables and documentation, and conduct interviews, etc., to ensure a high level of integrity and confidence in the IV&V service provider's MMIS oversight and monitoring.

The IV&V service provider will review the project and MMIS system processes and progress in areas including, but not limited to, the following:

- Project management
 - Progress against budget and schedule
 - Risk management
 - Inclusion of state goals/objectives and all federal MMIS requirements in requests for proposal and contracts
 - Adherence to the state's software development life cycle (SDLC)
 - Incorporation of the standards and conditions for Medicaid IT into design and development
 - Reasonability, thoroughness, and quality of MITA self-assessment, concept of operations, information architecture, and data architecture
 - Reflection of the state's MITA goals and plans into actual MMIS design and development
 - Configuration management that is robust and includes state or developer configuration audits against configuration baseline
 - Change management
 - Adherence to service level agreements
- Modular development
 - Completeness and reasonability of MMIS concept of operations, architecture, and designs
 - Accuracy of capture of interfaces and data sharing requirements with systems external to the MMIS
 - Viability and completeness of the data transition plan
 - Traceability of requirements through design, development, and testing
 - Adequacy of system security and privacy policies, plans, technical designs, and implementations
 - Coverage and integrity of all system testing, including stress testing and testing of interfaces between modules and with external partner systems
 - Capacity management, including consideration of future vendors' support and release plans for underlying databases, software, and hardware
 - Adequacy of disaster recovery planning

The IV&V contractor will evaluate and make recommendations about the state artifacts that are required for MMIS milestone reviews. A list of required artifacts is included in the CMS Medicaid Enterprise Certification Toolkit.

**ATTACHMENT B
PAYMENT PROVISIONS**

The maximum dollar amount payable under this agreement is not intended as any form of a guaranteed amount. The Contractor will be paid for services specified in Attachment A, for services actually performed, up to the maximum allowable amount specified in this agreement. State of Vermont payment terms are Net 30-days from date of invoice, payments against this contract will comply with the State's payment terms. The payment schedule for delivered products, or rates for services performed, and any additional reimbursements, are included in this attachment. The following provisions specifying payments are:

1. Payments for the period of April 1, 2015 to expiring date May 15, 2019, shall not exceed \$6,773,880. The State shall pay the Contractor on a fixed-price per approved deliverable basis, up to a maximum of \$5,213,730, which is inclusive of Task Order activities, billable per the conditions of Task 5 up to a maximum of \$175,000. Additionally, the Contractor shall bill for actual SME hours worked on a monthly basis at a rate of \$180 per hour, up to a maximum amount of \$1,560,150 to be approved in the Consolidated Periodic IV&V Report.
2. A certificate of insurance must be submitted prior to commencement of work and release of payments.
3. Contractor invoices shall be submitted no more frequently than monthly, but no later than quarterly. Invoices shall be printed on the Contractor's official letterhead, reference this contract number, include the date of invoice, remit address, the title and name of personnel performing work, the actual number of hours worked during the specified billing period, a detailed description of the work completed, organized by Task and priced per the Payment Schedule below, the total amount billed, and be signed off by an Authorized Representative of the Contractor. The State shall pay the Contractor on a fixed price basis, with payments tied to contractually-defined deliverables as described in the Payment Schedule. Additionally, the Contractor shall bill for actual SME hours used on a monthly basis. As part of the invoice, the Contractor will track SME hours used for the billing period, and hours used contract to-date, with remaining balance of SME hours. Task Order services performed will be billed as defined in the Task Order. The State has the right to deny payment of any invoice that does not align with the stipulations listed above within this Section. The State can request that the Contractor amend any invoices that are not consistent with the provisions stated above. In the event that the Contractor must amend an invoice at the request of the State, the Contractor shall adjust the date of the invoice to accurately reflect the resubmittal date. Invoices should be submitted to: Meaghan Kelley, Contract Administrator: Meaghan.Kelley@vermont.gov
4. No benefits, expenses, or insurance will be reimbursed by the State.
5. The Contractor shall bill for actual SME hours worked or deliverables accepted and approved by the State Authorized Representative.
6. **Payment Schedule:**
TASKS 1 -3 - Deliverable-Based Payments

The Contractor will perform TASKS 1 through 3 as specified in Attachment A of this Contract, on a

fixed price basis, with payments tied to the Consolidated Periodic IV&V Reports and Certification Status Reports, and the State's finding of satisfactory performance. Enclosed herein is the deliverable-based payment schedule:

April 1, 2015 – March 31, 2016

Deliverable	Total Cost
IV&V Plan and Updates: Tasks 1B	\$101,400.00
Work Plan and Updates: Tasks 1D and 1E	\$100,000.00
Risk & Issue Log with Recommended Risk/Issue Responses: Task 3A & 3B	\$240,000.00
Bi-Weekly Status Reports and Meeting Minutes: Task 6A & 6D	\$360,000.00
Executive Status Reports and Ad Hoc Reports: Task 6B	\$48,000.00
MMIS, Medicaid Operation Services and Contract Center - IV&V Reports and Meeting Minutes, Review of Deliverable Expectation Documents, and Deliverable Reviews and Reports: Tasks 2A and 4	\$394,130.00
Care Management Solution - IV&V Reports and Meeting Minutes, Review of Deliverable Expectation Documents, and Deliverable Reviews and Reports: Tasks 2A & 4	\$193,200.00
Pharmacy Benefit Management Solution - IV&V Reports and Meeting Minutes, Review of Deliverable Expectation Documents, and Deliverable Reviews and Reports: Task 2A & 4	\$184,500.00
Defect Prevention, Detection, and Fixes (Ad Hoc Section)	\$73,440.00
Credit Adjustment on Invoice #2015-347	\$ (8,130.00)
Total Costs as of March 31, 2016	\$1,686,540.00

April 1, 2016 – May 15, 2019

Deliverable	Anticipated Due Date	Current	New	Total
Comprehensive IV&V Plan and Bi-Weekly Status Report #10	4/30/2016	\$177,510.00	\$ -	\$177,510.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #11	5/31/2016	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #12	6/30/2016	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #13	7/31/2016	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #14	8/31/2016	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #15	9/30/2016	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #16	10/31/2016	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #17	11/30/2016	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #18	12/31/2016	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #19	1/31/2017	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #20	2/28/2017	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #21	3/31/2017	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #22	4/30/2017	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #23	5/31/2017	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #24	6/30/2017	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #25	7/31/2017	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #26	8/31/2017	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #27	9/30/2017	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #28	10/31/2017	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #29	11/30/2017	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #30	12/31/2017	\$88,800.00	\$ -	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #31	1/31/2018	\$60,640.00	\$28,160.00	\$88,800.00

Comprehensive IV&V Plan and Bi-Weekly Status Report #32	2/28/2018	\$45,440.00	\$43,360.00	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #33	3/31/2018	\$45,440.00	\$43,360.00	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #34	4/30/2018	\$45,440.00	\$43,360.00	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #35	5/31/2018	\$30,880.00	\$57,920.00	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #36	6/30/2018	\$30,880.00	\$57,920.00	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #37	7/31/2018	\$30,880.00	\$57,920.00	\$88,800.00
CMS Certification Report Review and Response	8/18/2018	\$25,000.00	\$(25,000.00)	\$ -
Comprehensive IV&V Plan and Bi-Weekly Status Report #38	8/31/2018	\$ -	\$88,800.00	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #39	9/30/2018	\$ -	\$88,800.00	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #40	10/31/2018	\$ -	\$88,800.00	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #41	11/30/2018	\$ -	\$88,800.00	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #42	12/31/2018	\$ -	\$88,800.00	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #43	1/31/2019	\$ -	\$88,800.00	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #44	2/28/2019	\$ -	\$88,800.00	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #45	3/31/2019	\$ -	\$88,800.00	\$88,800.00
Comprehensive IV&V Plan and Bi-Weekly Status Report #46	4/30/2019	\$ -	\$88,800.00	\$88,800.00
Final IV&V Report	5/15/2019	\$ -	\$51,320.00	\$51,320.00
Defect Prevention, Detextion, and Fixes (Ad Hoc)		\$101,560.00	\$ -	\$101,560.00
Total		\$2,369,670.00	\$1,157,520.00	\$3,527,190.00

7. TASK ORDER: Defect Prevention, Detection, and Fixes (Ad Hoc Section)

Services performed under TASK ORDER, Defect Prevention, Detection, and Fixes (Ad Hoc Section)
- Task Orders shall not exceed a maximum amount of \$175,000 and shall not exceed the maximum amount as specified within each individual Task Order.

Upon the State's request the Contractor shall reduce to writing offers to perform additional tasks in accordance with the scope of work as found necessary in achievement of the goals set out under the Task 5, as specified in Attachment A. Each task order will be reduced to writing and submitted to the State for acceptance and approval prior to commencement of any additional tasks. State approval is

contingent upon approval from the State Authorized Representative and the DVHA Business Office. Contractor shall submit monthly invoices that include the number of hours worked by staff, as well as a description of the work performed.

8. Contractor agrees that with written notice of unsatisfactory performance, the State will retain 10% from the invoice total until corrective action is complete, and a satisfactory work product is delivered. In the event that Contractor fails to take corrective action resulting in delivery of satisfactory work in a timely manner, as determined by the State of Vermont, the State may retain funds equal to the entire amount of funds budgeted for that task. Contractor further agrees that the retainage process and amount is a fair representation of the impairment of value of the contract created by late or insufficient performance on the part of Contractor. The release of retainage may take place after satisfactory conclusion of, or performance towards, a given task. The Contractor may submit an invoice for the amount of retained funds payable for a particular task immediately following successful completion and State acceptance of the deliverable. Retainage invoices will be reviewed by the State before payment. Failure to meet timelines or to deliver required products may result in forfeiture of retainage at the discretion of the State. Contractor agrees that time is of the essence for purposes of deliverables and tasks.

Payments shall be remitted to:
CSG Government Solutions, Inc.
180 N. Stetson Avenue, Suite 3200
Chicago, IL 60601

**ATTACHMENT C: STANDARD STATE PROVISIONS
FOR CONTRACTS AND GRANTS
REVISED JULY 1, 2016**

1. Definitions: For purposes of this Attachment, "Party" shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement. "Agreement" shall mean the specific contract or grant to which this form is attached.

2. Entire Agreement: This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.

3. Governing Law, Jurisdiction and Venue; No Waiver of Jury Trial: This Agreement will be governed by the laws of the State of Vermont. Any action or proceeding brought by either the State or the Party in connection with this Agreement shall be brought and enforced in the Superior Court of the State of Vermont, Civil Division, Washington Unit. The Party irrevocably submits to the jurisdiction of this court for any action or proceeding regarding this Agreement. The Party agrees that it must first exhaust any applicable administrative remedies with respect to any cause of action that it may have against the State with regard to its performance under the Agreement.

Party agrees that the State shall not be required to submit to binding arbitration or waive its right to a jury trial.

4. Sovereign Immunity: The State reserves all immunities, defenses, rights or actions arising out of the State's sovereign status or under the Eleventh Amendment to the United States Constitution. No waiver of the State's immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by reason of the State's entry into this Agreement.

5. No Employee Benefits For Party: The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.

6. Independence: The Party will act in an independent capacity and not as officers or employees of the State.

7. Defense and Indemnity: The Party shall defend the State and its officers and employees against all third party claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party in connection with the performance of this Agreement. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit. The State retains the right to participate at its own expense in the defense of any claim. The State shall have the right to approve all proposed settlements of such claims or suits. In the event the State withholds approval to settle any such claim, then the Party shall proceed with the defense of the claim but under those circumstances, the Party's indemnification obligations shall be limited to the amount of the proposed settlement initially rejected by the State.

After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party in connection with the performance of this Agreement.

The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party or an agent of the Party in connection with the performance of this Agreement.

The Party agrees that in no event shall the terms of this Agreement nor any document required by the Party in connection with its performance under this Agreement obligate the State to defend or indemnify the Party or otherwise be liable for the expenses or reimbursement, including attorneys' fees, collection costs or other costs of the Party except to the extent awarded by a court of competent jurisdiction.

8. Insurance: Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the State through the term of the Agreement. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont. Vermont will accept an out-of-state employer's workers' compensation coverage while operating in Vermont provided that the insurance carrier is licensed to write insurance in Vermont and an amendatory endorsement is added to the policy adding Vermont for coverage purposes. Otherwise, the party shall secure a Vermont workers' compensation policy, if necessary to comply with Vermont law.

General Liability and Property Damage: With respect to all operations performed under this Agreement, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations

Products and Completed Operations

Personal Injury Liability

Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Each Occurrence

\$2,000,000 General Aggregate

\$1,000,000 Products/Completed Operations Aggregate

\$1,000,000 Personal & Advertising Injury

Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than \$500,000 combined single limit. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, limits of coverage shall not be less than \$1,000,000 combined single limit.

Additional Insured. The General Liability and Property Damage coverages required for performance of this Agreement shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, then the required Automotive Liability coverage shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

Notice of Cancellation or Change. There shall be no cancellation, change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days written prior written notice to the State.

9. Reliance by the State on Representations: All payments by the State under this Agreement will be made in reliance upon the accuracy of all representations made by the Party in accordance with the Contract, including but not limited to bills, invoices, progress reports and other proofs of work.

10. False Claims Act: The Party acknowledges that it is subject to the Vermont False Claims Act as set forth in 32 V.S.A. § 630 *et seq.* If the Party violates the Vermont False Claims Act it shall be liable to the State for civil penalties, treble damages and the costs of the investigation and prosecution of such violation, including attorney's fees, except as the same may be reduced by a court of competent jurisdiction. The Party's liability to the State under the False Claims Act shall not be limited notwithstanding any agreement of the State to otherwise limit Party's liability.

11. Whistleblower Protections: The Party shall not discriminate or retaliate against one of its employees or agents for disclosing information concerning a violation of law, fraud, waste, abuse of authority or acts threatening health or safety, including but not limited to allegations concerning the False Claims Act. Further, the Party shall not require such employees or agents to forego monetary awards as a result of such disclosures, nor should they be required to report misconduct to the Party or its agents prior to reporting to any governmental entity and/or the public.

12. Federal Requirements Pertaining to Grants and Subrecipient Agreements:

A. Requirement to Have a Single Audit: In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, the Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a Single Audit is required for the prior fiscal year. If a Single Audit is required, the Subrecipient will submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required.

For fiscal years ending before December 25, 2015, a Single Audit is required if the subrecipient expends \$500,000 or more in federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A-133. For fiscal years ending on or after December 25, 2015, a Single Audit is required if the subrecipient expends \$750,000 or more in federal assistance during its fiscal year and must be conducted in accordance with 2 CFR Chapter I, Chapter II, Part 200, Subpart F. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a Single Audit is required.

B. Internal Controls: In the case that this Agreement is a Grant that is funded in whole or in part by Federal funds, in accordance with 2 CFR Part II, §200.303, the Party must establish and maintain effective internal control over the Federal award to provide reasonable assurance that the Party is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

C. Mandatory Disclosures: In the case that this Agreement is a Grant funded in whole or in part by Federal funds, in accordance with 2CFR Part II, §200.113, Party must disclose, in a timely manner, in writing to the State, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures may result in the imposition of sanctions which may include disallowance of costs incurred, withholding of payments, termination of the Agreement, suspension/debarment, etc.

13. Records Available for Audit: The Party shall maintain all records pertaining to performance under this agreement. "Records" means any written or recorded information, regardless of physical form or characteristics,

which is produced or acquired by the Party in the performance of this agreement. Records produced or acquired in a machine readable electronic format shall be maintained in that format. The records described shall be made available at reasonable times during the period of the Agreement and for three years thereafter or for any period required by law for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

14. Fair Employment Practices and Americans with Disabilities Act: Party agrees to comply with the requirement of 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement.

15. Set Off: The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

16. Taxes Due to the State:

- A. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
- B. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
- C. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
- D. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

17. Taxation of Purchases: All State purchases must be invoiced tax free. An exemption certificate will be furnished upon request with respect to otherwise taxable items.

18. Child Support: (Only applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date the Agreement is signed, he/she:

- A. is not under any obligation to pay child support; or
- B. is under such an obligation and is in good standing with respect to that obligation; or
- C. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.

Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

19. Sub-Agreements: Party shall not assign, subcontract or subgrant the performance of this Agreement or any portion thereof to any other Party without the prior written approval of the State. Party shall be responsible and liable to the State for all acts or omissions of subcontractors and any other person performing work under this Agreement pursuant to an agreement with Party or any subcontractor.

In the case this Agreement is a contract with a total cost in excess of \$250,000, the Party shall provide to the State a list of all proposed subcontractors and subcontractors' subcontractors, together with the identity of those subcontractors' workers compensation insurance providers, and additional required or requested information, as applicable, in accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54).

Party shall include the following provisions of this Attachment C in all subcontracts for work performed solely for the State of Vermont and subcontracts for work performed in the State of Vermont: Section 10 ("False Claims Act"); Section 11 ("Whistleblower Protections"); Section 14 ("Fair Employment Practices and Americans with Disabilities Act"); Section 16 ("Taxes Due the State"); Section 18 ("Child Support"); Section 20 ("No Gifts or Gratuities"); Section 22 ("Certification Regarding Debarment"); Section 23 ("Certification Regarding Use of State Funds"); Section 31 ("State Facilities"); and Section 32 ("Location of State Data").

20. No Gifts or Gratuities: Party shall not give title or possession of anything of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.

21. Copies: Party shall use reasonable best efforts to ensure that all written reports prepared under this Agreement are printed using both sides of the paper.

22. Certification Regarding Debarment: Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs, or programs supported in whole or in part by federal funds.

Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State's debarment list at: <http://bgs.vermont.gov/purchasing/debarment>

23. Certification Regarding Use of State Funds: In the case that Party is an employer and this Agreement is a State Funded Grant in excess of \$1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization.

24. Conflict of Interest: Party shall fully disclose, in writing, any conflicts of interest or potential conflicts of interest.

25. Confidentiality: Party acknowledges and agrees that this Agreement and any and all information obtained by the State from the Party in connection with this Agreement are subject to the State of Vermont Access to Public Records Act, 1 V.S.A. § 315 et seq.

26. Force Majeure: Neither the State nor the Party shall be liable to the other for any failure or delay of performance of any obligations under this Agreement to the extent such failure or delay shall have been wholly or principally caused by acts or events beyond its reasonable control rendering performance illegal or impossible (excluding strikes or lock-outs) ("Force Majeure"). Where Force Majeure is asserted, the nonperforming party must prove that it made all reasonable efforts to remove, eliminate or minimize such cause of delay or damages, diligently pursued performance of its obligations under this Agreement, substantially fulfilled all non-excused obligations, and timely notified the other party of the likelihood or actual occurrence of an event described in this

paragraph.

27. Marketing: Party shall not refer to the State in any publicity materials, information pamphlets, press releases, research reports, advertising, sales promotions, trade shows, or marketing materials or similar communications to third parties except with the prior written consent of the State.

28. Termination: In addition to any right of the State to terminate for convenience, the State may terminate this Agreement as follows:

- A. Non-Appropriation:** If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and in the event federal funds become unavailable or reduced, the State may suspend or cancel this Grant immediately, and the State shall have no obligation to pay Subrecipient from State revenues.
- B. Termination for Cause:** Either party may terminate this Agreement if a party materially breaches its obligations under this Agreement, and such breach is not cured within thirty (30) days after delivery of the non-breaching party's notice or such longer time as the non-breaching party may specify in the notice.
- C. No Implied Waiver of Remedies:** A party's delay or failure to exercise any right, power or remedy under this Agreement shall not impair any such right, power or remedy, or be construed as a waiver of any such right, power or remedy. All waivers must be in writing.

29. Continuity of Performance: In the event of a dispute between the Party and the State, each party will continue to perform its obligations under this Agreement during the resolution of the dispute until this Agreement is terminated in accordance with its terms.

30. Termination Assistance: Upon nearing the end of the final term or termination of this Agreement, without respect to cause, the Party shall take all reasonable and prudent measures to facilitate any transition required by the State. All State property, tangible and intangible, shall be returned to the State upon demand at no additional cost to the State in a format acceptable to the State.

31. State Facilities: If the State makes space available to the Party in any State facility during the term of this Agreement for purposes of the Party's performance under this Agreement, the Party shall only use the space in accordance with all policies and procedures governing access to and use of State facilities which shall be made available upon request. State facilities will be made available to Party on an "AS IS, WHERE IS" basis, with no warranties whatsoever.

32. Location of State Data: No State data received, obtained, or generated by the Party in connection with performance under this Agreement shall be processed, transmitted, stored, or transferred by any means outside continental United States, except with the express written permission of the State.

(Revised 7/1/16 - End of Standard Provisions)

ATTACHMENT D OTHER PROVISIONS

1. OWNERSHIP AND LICENSE IN DELIVERABLES

1.1 Contractor Intellectual Property. Contractor shall retain all right, title and interest in and to any work, ideas, inventions, discoveries, tools, methodology, computer programs, processes and improvements and any other intellectual property, tangible or intangible, that has been created by Contractor prior to entering into this Contract ("Contractor Intellectual Property"). Should the State require a license for the use of Contractor Intellectual Property in connection with the development or use of the items that Contractor is required to deliver to the State under this Contract, including Work Product ("Deliverables"), the Contractor shall grant the State a royalty-free license for such development and use. For the avoidance of doubt, Work Product shall not be deemed to include Contractor Intellectual Property, provided the State shall be granted an irrevocable, perpetual, non-exclusive royalty-free license to use any such Contractor Intellectual Property that is incorporated into Work Product.

1.2 State Intellectual Property. The State shall retain all right, title and interest in and to (i) all content and all property, data and information furnished by or on behalf of the State or any agency, commission or board thereof, and to all information that is created under this Contract, including, but not limited to, all data that is generated under this Contract as a result of the use by Contractor, the State or any third party of any technology systems or knowledge bases that are developed for the State and used by Contractor hereunder, and all other rights, tangible or intangible; and (ii) all State trademarks, trade names, logos and other State identifiers, Internet uniform resource locators, State user name or names, Internet addresses and e-mail addresses obtained or developed pursuant to this Contract (collectively, "State Intellectual Property").

Contractor may not use State Intellectual Property for any purpose other than as specified in this Contract. Upon expiration or termination of this Contract, Contractor shall return or destroy all State Intellectual Property and all copies thereof, and Contractor shall have no further right or license to such State Intellectual Property.

Contractor acquires no rights or licenses, including, without limitation, intellectual property rights or licenses, to use State Intellectual Property for its own purposes. In no event shall the Contractor claim any security interest in State Intellectual Property.

1.3 Work Product. All Work Product shall belong exclusively to the State, with the State having the sole and exclusive right to apply for, obtain, register, hold and renew, in its own name and/or for its own benefit, all patents and copyrights, and all applications and registrations, renewals and continuations thereof and/or any and all other appropriate protection. To the extent exclusive title and/or complete and exclusive ownership rights in and to any Work Product may not originally vest in the State by operation of law or otherwise as contemplated hereunder, Contractor shall immediately upon request, unconditionally and irrevocably assign, transfer and convey to the State all right, title and interest therein.

"Work Product" means any tangible or intangible ideas, inventions, improvements, modifications, discoveries, development, customization, configuration, methodologies or processes, designs, models, drawings, photographs, reports, formulas, algorithms, patterns, devices, compilations, databases, computer programs, work of authorship, specifications, operating instructions, procedures manuals or other documentation, technique, know-how, secret, or intellectual property right whatsoever or any interest therein (whether patentable or not patentable or registerable under copyright or similar statutes or subject to analogous protection), that is specifically made, conceived, discovered or reduced to practice by Contractor, either solely or jointly with others, pursuant to this Contract. Work Product does not include Contractor Intellectual Property or third party intellectual property.

To the extent delivered under this Contract, upon full payment to Contractor in accordance with Attachment B, and subject to the terms and conditions contained herein, Contractor hereby (i) assigns to State all rights in and to all Deliverables, except to the extent they include any Contractor Intellectual Property; and (ii) grants to State a perpetual, non-exclusive, irrevocable, royalty-free license to use for State's internal business purposes, any Contractor Intellectual Property included in the Deliverables in connection with its use of the Deliverables and, subject to the State's obligations with respect to Confidential Information, authorize others to do the same on the State's behalf. Except for the foregoing license grant, Contractor or its licensors retain all rights in and to all Contractor Intellectual Property.

The Contractor shall not sell or copyright a Deliverable without explicit permission from the State. If the Contractor is operating a system or application on behalf of the State of Vermont, then the Contractor shall not make information entered into the system or application available for uses by any other party than the State of Vermont, without prior authorization by the State. Nothing herein shall entitle the State to pre-existing Contractor Intellectual Property or Contractor Intellectual Property developed outside of this Contract with no assistance from State.

2. CONFIDENTIALITY AND NON-DISCLOSURE; SECURITY BREACH REPORTING

2.1 For purposes of this Contract, confidential information will not include information or material which (a) enters the public domain (other than as a result of a breach of this Contract); (b) was in the receiving party's possession prior to its receipt from the disclosing party; (c) is independently developed by the receiving party without the use of confidential information; (d) is obtained by the receiving party from a third party under no obligation of confidentiality to the disclosing party; or (e) is not exempt from disclosure under applicable State law.

2.2 Confidentiality of Contractor Information. The Contractor acknowledges and agrees that this Contract and any and all Contractor information obtained by the State in connection with this Contract are subject to the State of Vermont Access to Public Records Act, 1 V.S.A. § 315 et seq. The State will not disclose information for which a reasonable claim of exemption can be made pursuant to 1 V.S.A. § 317(c), including, but not limited to, trade secrets, proprietary information or financial information, including any formulae, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to the Contractor, and which gives the Contractor an opportunity to obtain business advantage over competitors who do not know it or use it.

The State shall immediately notify Contractor of any request made under the Access to Public Records Act, or any request or demand by any court, governmental agency or other person asserting a demand or request for Contractor information. Contractor may, in its discretion, seek an appropriate protective order, or otherwise defend any right it may have to maintain the confidentiality of such information under applicable State law within three business days of the State's receipt of any such request. Contractor agrees that it will not make any claim against the State if the State makes available to the public any information in accordance with the Access to Public Records Act or in response to a binding order from a court or governmental body or agency compelling its production. Contractor shall indemnify the State for any costs or expenses incurred by the State, including, but not limited to, attorneys' fees awarded in accordance with 1 V.S.A. § 320, in connection with any action brought in connection with Contractor's attempts to prevent or unreasonably delay public disclosure of Contractor's information if a final decision of a court of competent jurisdiction determines that the State improperly withheld such information and that the improper withholding was based on Contractor's attempts to prevent public disclosure of Contractor's information.

The State agrees that (a) it will use the Contractor information only as may be necessary in the course of performing duties, receiving services or exercising rights under this Contract; (b) it will provide at a minimum the same care to avoid disclosure or unauthorized use of Contractor information as it provides to protect its own similar confidential and proprietary information; (c) except as required by the Access to Records Act, it will not

disclose such information orally or in writing to any third party unless that third party is subject to a written confidentiality agreement that contains restrictions and safeguards at least as restrictive as those contained in this Contract; (d) it will take all reasonable precautions to protect the Contractor's information; and (e) it will not otherwise appropriate such information to its own use or to the use of any other person or entity.

Contractor may affix an appropriate legend to Contractor information that is provided under this Contract to reflect the Contractor's determination that any such information is a trade secret, proprietary information or financial information at time of delivery or disclosure.

2.3 Confidentiality of State Information. In performance of this Contract, and any exhibit or schedule hereunder, the Party acknowledges that certain State Data (as defined below), to which the Contractor may have access may contain individual federal tax information, personal protected health information and other individually identifiable information protected by State or federal law or otherwise exempt from disclosure under the State of Vermont Access to Public Records Act, 1 V.S.A. § 315 et seq ("State Data"). In addition to the provisions of this Section, the Contractor shall comply with the requirements set forth in the State's HIPAA Business Associate Agreement attached hereto as Attachment E. Before receiving or controlling State Data, the Contractor will have an information security policy that protects its systems and processes and media that may contain State Data from internal and external security threats and State Data from unauthorized disclosure, and will have provided a copy of such policy to the State.

State Data shall not be stored, accessed from, or transferred to any location outside the United States.

The Contractor agrees that (a) it will use the State Data only as may be necessary in the course of performing duties or exercising rights under this Contract; (b) it will provide at a minimum the same care to avoid disclosure or unauthorized use of State Data as it provides to protect its own similar confidential and proprietary information; (c) it will not publish, reproduce, or otherwise divulge any State Data in whole or in part, in any manner or form orally or in writing to any third party unless it has received written approval from the State and that third party is subject to a written confidentiality agreement that contains restrictions and safeguards at least as restrictive as those contained in this Contract; (d) it will take all reasonable precautions to protect the State's information; and (e) it will not otherwise appropriate such information to its own use or to the use of any other person or entity. Contractor will take reasonable measures as are necessary to restrict access to State Data in the Contractor's possession to only those employees on its staff who must have the information on a "need to know" basis. The Contractor shall not retain any State Data except to the extent required to perform the services under this Contract.

Contractor shall not access State user accounts or State Data, except in the course of data center operations, response to service or technical issues, as required by the express terms of this Contract, or at State's written request.

Contractor may not share State Data with its parent company or other affiliate without State's express written consent.

The Contractor shall promptly notify the State of any request or demand by any court, governmental agency or other person asserting a demand or request for State Data to which the Contractor or any third party hosting service of the Contractor may have access, so that the State may seek an appropriate protective order.

3. SECURITY OF STATE INFORMATION.

3.1 Security Standards. To the extent Contractor has access to, processes, handles, collects, transmits, stores or otherwise deals with State Data, the Contractor represents and warrants that it has implemented and it shall maintain during the term of this Contract the highest industry standard administrative, technical, and physical safeguards and controls consistent with NIST *Special Publication 800-53* (version 4 or higher) and *Federal Information Processing Standards Publication 200* and designed to (i) ensure the security and confidentiality of

State Data; (ii) protect against any anticipated security threats or hazards to the security or integrity of the State Data; and (iii) protect against unauthorized access to or use of State Data. Such measures shall include at a minimum: (1) access controls on information systems, including controls to authenticate and permit access to State Data only to authorized individuals and controls to prevent the Contractor employees from providing State Data to unauthorized individuals who may seek to obtain this information (whether through fraudulent means or otherwise); (2) industry-standard firewall protection; (3) encryption of electronic State Data while in transit from the Contractor networks to external networks; (4) measures to store in a secure fashion all State Data which shall include multiple levels of authentication; (5) dual control procedures, segregation of duties, and pre-employment criminal background checks for employees with responsibilities for or access to State Data; (6) measures to ensure that the State Data shall not be altered or corrupted without the prior written consent of the State; (7) measures to protect against destruction, loss or damage of State Data due to potential environmental hazards, such as fire and water damage; (8) staff training to implement the information security measures; and (9) monitoring of the security of any portions of the Contractor systems that are used in the provision of the services against intrusion on a twenty-four (24) hour a day basis.

3.2 Security Breach Notice and Reporting. The Contractor shall have policies and procedures in place for the effective management of Security Breaches, as defined below, which shall be made available to the State upon request.

In addition to the requirements set forth in any applicable Business Associate Agreement as may be attached to this Contract, in the event of any actual security breach or reasonable belief of an actual security breach the Contractor either suffers or learns of that either compromises or could compromise State Data (a "Security Breach"), the Contractor shall notify the State within 24 hours of its discovery. Contractor shall immediately determine the nature and extent of the Security Breach, contain the incident by stopping the unauthorized practice, recover records, shut down the system that was breached, revoke access and/or correct weaknesses in physical security. Contractor shall report to the State: (i) the nature of the Security Breach; (ii) the State Data used or disclosed; (iii) who made the unauthorized use or received the unauthorized disclosure; (iv) what the Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure; and (v) what corrective action the Contractor has taken or shall take to prevent future similar unauthorized use or disclosure. The Contractor shall provide such other information, including a written report, as reasonably requested by the State. Contractor shall analyze and document the incident and provide all notices required by applicable law.

In accordance with Section 9 V.S.A. §2435(b)(3), the Contractor shall notify the Office of the Attorney General, or, if applicable, Vermont Department of Financial Regulation ("DFR"), within fourteen (14) business days of the Contractor's discovery of the Security Breach. The notice shall provide a preliminary description of the breach. The foregoing notice requirement shall be included in the subcontracts of any of Contractor's subcontractors, affiliates or agents which may be "data collectors" hereunder.

The Contractor agrees to fully cooperate with the State and assume responsibility at its own expense for the following, to be determined in the sole discretion of the State: (i) notice to affected consumers if the State determines it to be appropriate under the circumstances of any particular Security Breach, in a form recommended by the AGO; and (ii) investigation and remediation associated with a Security Breach, including but not limited to, outside investigation, forensics, counsel, crisis management and credit monitoring, in the sole determination of the State.

The Contractor agrees to comply with all applicable laws, as such laws may be amended from time to time (including, but not limited to, Chapter 62 of Title 9 of the Vermont Statutes and all applicable State and federal laws, rules or regulations) that require notification in the event of unauthorized release of personally-identifiable information or other event requiring notification.

In addition to any other indemnification obligations in this Contract, the Contractor shall fully indemnify and save

harmless the State from any costs, loss or damage to the State resulting from a Security Breach or the unauthorized disclosure of State Data by the Contractor, its officers, agents, employees, and subcontractors.

4. CONTRACTOR'S REPRESENTATIONS AND WARRANTIES

4.1 General Representations and Warranties. The Contractor represents, warrants and covenants that:

- a) The Contractor has all requisite power and authority to execute, deliver and perform its obligations under this Contract and the execution, delivery and performance of this Contract by the Contractor has been duly authorized by the Contractor.
- b) There is no pending litigation, arbitrated matter or other dispute to which the Contractor is a party which, if decided unfavorably to the Contractor, would reasonably be expected to have a material adverse effect on the Contractor's ability to fulfill its obligations under this Contract.
- c) The Contractor will comply with all laws applicable to its performance of the services and otherwise to the Contractor in connection with its obligations under this Contract.
- d) The Contractor (a) owns, or has the right to use under valid and enforceable agreements, all intellectual property rights reasonably necessary for and related to delivery of the services and provision of the services as set forth in this Contract; (b) shall be responsible for and have full authority to license all proprietary and/or third party software modules, including algorithms and protocols, that Contractor incorporates into its product; and (c) none of the services or other materials or technology provided by the Contractor to the State will infringe upon or misappropriate the intellectual property rights of any third party.
- e) The Contractor has adequate resources to fulfill its obligations under this Contract.
- f) Neither Contractor nor Contractor's subcontractors has past state or federal violations, convictions or suspensions relating to miscoding of employees in NCCI job codes for purposes of differentiating between independent contractors and employees.

4.2 Contractor's Performance Warranties. Contractor represents and warrants to the State that:

- a) Each and all of the services shall be performed in a timely, diligent, professional and skillful manner, in accordance with the highest professional or technical standards applicable to such services, by qualified persons with the technical skills, training and experience to perform such services in the planned environment.
- b) Any time software is delivered to the State, whether delivered via electronic media or the internet, no portion of such software or the media upon which it is stored or delivered will have any type of software routine or other element which is designed to facilitate unauthorized access to or intrusion upon; or unrequested disabling or erasure of; or unauthorized interference with the operation of any hardware, software, data or peripheral equipment of or utilized by the State. Without limiting the generality of the foregoing, if the State believes that harmful code may be present in any software delivered hereunder, Contractor will, upon State's request, provide a new or clean install of the software. Notwithstanding the foregoing, Contractor assumes no responsibility for the State's negligence or failure to protect data from viruses, or any unintended modification, destruction or disclosure.
- c) To the extent Contractor resells commercial hardware or software it purchased from a third party, Contractor will, to the extent it is legally able to do so, pass through any such third party warranties to the State and will reasonably cooperate in enforcing them. Such warranty pass-through will not relieve the Contractor from Contractor's warranty obligations set forth herein.

5. PROFESSIONAL LIABILITY AND CYBER LIABILITY INSURANCE COVERAGE

In addition to the insurance required in Attachment C to this Contract, before commencing work on this Contract and throughout the term of this Contract, Contractor agrees to procure and maintain (a) Technology Professional Liability insurance for any and all services performed under this Contract, with minimum third party coverage of \$1,000,000 per claim, \$3,000,000 aggregate. To the extent Contractor has access to, processes, handles, collects, transmits, stores or otherwise deals with State Data, Contractor shall maintain first party Breach Notification Coverage of not less than \$1,500,000.

Before commencing work on this Contract the Contractor must provide certificates of insurance to show that the foregoing minimum coverages are in effect.

With respect to the first party Breach Notification Coverage, Contractor shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Contract.

- 6. REMEDIES FOR DEFAULT.** In the event either party is in default under this Contract, the non-defaulting party may, at its option, pursue any or all of the remedies available to it under this Contract, including termination for cause, and at law or in equity.

7. TERMINATION

7.1 Contractor shall reasonably cooperate with other parties in connection with all services to be delivered under this Contract, including without limitation any successor provider to whom State Data, State Intellectual Property or other State information and materials are to be transferred in connection with termination. Contractor shall assist the State in exporting and extracting any and all State data, in a format usable without the use of the Services and as agreed to by State, at no additional cost. Any transition services requested by State involving additional knowledge transfer and support may be subject to a contract amendment for a fixed fee or at rates to be mutually agreed upon by the parties.

If the State determines in its sole discretion that a documented transition plan is necessary, then no later than sixty (60) days prior to termination, Contractor and the State shall mutually prepare a Transition Plan identifying transition services to be provided.

7.2 Return of Property. Upon termination of this Contract for any reason whatsoever, Contractor shall immediately deliver to State all State Intellectual Property and State Data (including without limitation any Deliverables for which State has made payment in whole or in part), that are in the possession or under the control of Contractor in whatever stage of development and form of recordation such State property is expressed or embodied at that time.

- 8. DESTRUCTION OF STATE DATA.** At any time during the term of this Contract within thirty days of (i) the State's written request or (ii) termination or expiration of this Contract for any reason, Contractor shall securely dispose of all copies, whether in written, electronic or other form or media, of State Data according to National Institute of Standards and Technology (NIST) approved methods, and certify in writing to the State that such State Data has been disposed of securely. Further, upon the relocation of State Data, Contractor shall securely dispose of such copies from the former data location according to National Institute of Standards and Technology (NIST) approved methods and certify in writing to the State that such State Data has been disposed of securely. Contractor shall comply with all reasonable directions provided by the State with respect to the disposal of State Data.

- 9. IRS TERMS IF FEDERAL TAX INFORMATION WILL BE PROCESSED OR STORED (Per IRS Publication 1075)**

To the extent Contractor's performance under this Contract involves the processing or storage of Federal tax information, then, pursuant to IRS Publication 1075, the following provisions shall apply in addition to any other security standard or requirements set forth in this Contract:

A. PERFORMANCE

In performance of this Contract, the Contractor agrees to comply with and assume responsibility for compliance by its employees with the following requirements:

1. All work will be done under the supervision of the Contractor or the Contractor's employees.
2. The Contractor and the Contractor's employees with access to or who use Federal tax information must meet the background check requirements defined in IRS Publication 1075.
3. Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Contract. Disclosure to anyone other than an officer or employee of the Contractor will be prohibited.
4. All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
5. The Contractor certifies that the data processed during the performance of this Contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the Contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
6. Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the State or his or her designee. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the State or its designee with a statement containing the date of destruction, description of material destroyed, and the method used.
7. All computer systems processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
8. No work involving Federal tax information furnished under this Contract will be subcontracted without prior written approval of the IRS.
9. The Contractor will maintain a list of employees authorized access. Such list will be provided to the State and, upon request, to the IRS reviewing office.
10. The State will have the right to void the Contract if the Contractor fails to provide the safeguards described above.

B. CRIMINAL/CIVIL SANCTIONS:

1. Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
2. Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained

in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the Contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431, and set forth at 26 CFR 301.6103(n)-1.

3. Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to State records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
4. Prior to Contractor having access to Federal tax information, Contractor shall certify that each Contractor employee or other individual with access to or who use Federal tax information on Contractor's behalf pursuant to this Contract understands the State's security policy and procedures for safeguarding Federal tax information. Contractor's authorization to access Federal tax information hereunder shall be contingent upon annual recertification. The initial certification and recertification must be documented and placed in the State's files for review. As part of the certification, and at least annually afterwards, Contractor will be advised of the provisions of IRCs 7431, 7213, and 7213A (see IRS Publication 1075 *Exhibit 4, Sanctions for Unauthorized Disclosure*, and *Exhibit 5, Civil Damages for Unauthorized Disclosure*). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches (See Publication 1075, Section 10). For both the initial certification and the annual certification, the Contractor must sign a confidentiality statement certifying its understanding of the security requirements.

C. INSPECTION:

The IRS and the State, with 24 hours' notice, shall have the right to send its officers, employees, and inspectors into the offices and plants of the Contractor for inspection of the facilities and operations provided for the performance of any work under this Contract. for compliance with the requirements defined in IRS Publication 1075. The IRS's right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology assets that access, store, process or transmit Federal tax information. On the basis of such inspection, corrective actions may be required in cases where the Contractor is found to be noncompliant with Contract safeguards.

10. Modification of Attachment C. Attachment C Sections 7 of this Contract are hereby deleted entirely and replaced with the following language:

7. Defense and Indemnity: The Party shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party in connection with the performance of this Agreement. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a

complete defense against the entire claim or suit. The Party shall notify its insurance company and the State within 10 days of receiving any claim for damages, notice of claims, pre-claims, or service of judgments or claims, for any act or omissions in the performance of this Contract. The State retains the right to participate at its own expense in the defense of any claim. The State shall have the right to approve all proposed settlements of such claims or suits.

After a final judgment or settlement, the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party in connection with the performance of this Agreement.

The Party shall indemnify the State and its officers and employees if the State, its officers or employees become legally obligated to pay any damages or losses caused by the negligent act or omission, or willful misconduct, of the Party or an agent of the Party in connection with the performance of this Agreement. The Party shall have no obligation to indemnify the state, its officers or employees from and against any claims, suits, actions, losses, damages, liabilities, costs and expenses attributable solely to the acts or omissions of the State, its officers, employees or agents.

Notwithstanding any contrary language anywhere, in no event shall the terms of this Agreement or any document furnished by the Party in connection with its performance under this Agreement obligate the State to (1) defend or indemnify the Party or any third party, or (2) otherwise be liable for the expenses or reimbursement, including attorneys' fees, collection costs or other costs of the Party or any third party.

11. Required Buildings and General Services Policy 0034 Language:

Contractor, including any of its holding companies, partners or subsidiaries, shall not submit a proposal, qualifications, information, or a bid on any procurement issued by the State on which Contractor Personnel work under this contract relating to the Portfolio of programs or projects for the State, including any procurements relating to the Medicaid Management Information System and Integrated Eligibility and Enrollment System, including any subcontractor role under such procurement; provided, however, that this provision shall not apply to any other procurements, including any subsequent procurements relating to the Medicaid Management Information System and Integrated Eligibility System, issued by the State as long as those subsequent procurements are not based on prior procurement documents on which Contractor's personnel worked under this Contract.

e-Signed by Jesse Moorman
on 2018-01-08 17:26:51 GMT

ATTACHMENT E BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“Agreement”) is entered into by and between **the State of Vermont Agency of Human Services operating by and through its Department of Vermont Health Access** (“Covered Entity”) and **CSG Government Solutions, Inc.**, (“Business Associate”) as of **April 1, 2015** (“Effective Date”). This Agreement supplements and is made a part of the Contract to which it is an attachment.

Covered Entity and Business Associate enter into this Agreement to comply with standards promulgated under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), including the Standards for the Privacy of Individually Identifiable Health Information, at 45 CFR Parts 160 and 164 (“Privacy Rule”), and the Security Standards, at 45 CFR Parts 160 and 164 (“Security Rule”), as amended by Subtitle D of the Health Information Technology for Economic and Clinical Health Act (HITECH), and any associated federal rules and regulations.

The parties agree as follows:

1. Definitions. All capitalized terms used but not otherwise defined in this Agreement have the meanings set forth in 45 CFR Parts 160 and 164 as amended by HITECH and associated federal rules and regulations.

“Agent” means those person(s) who are agents(s) of the Business Associate, in accordance with the Federal common law of agency, as referenced in 45 CFR § 160.402(c).

“Breach” means the acquisition, access, use or disclosure of protected health information (PHI) which compromises the security or privacy of the PHI, except as excluded in the definition of Breach in 45 CFR § 164.402.

“Business Associate shall have the meaning given in 45 CFR § 160.103.

“Individual” includes a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

“Protected Health Information” or PHI shall have the meaning given in 45 CFR § 160.103, limited to the information created or received by Business Associate from or on behalf of Agency.

“Security Incident” means any known successful or unsuccessful attempt by an authorized or unauthorized individual to inappropriately use, disclose, modify, access, or destroy any information or interference with system operations in an information system.

“Services” includes all work performed by the Business Associate for or on behalf of Covered Entity that requires the use and/or disclosure of protected health information to perform a business associate function described in 45 CFR § 160.103 under the definition of Business Associate.

“Subcontractor” means a person or organization to whom a Business Associate delegates a function, activity or service, other than in the capacity of a member of the workforce of the Business Associate. For purposes of this Agreement, the term Subcontractor includes Subgrantees.

2. Identification and Disclosure of Privacy and Security Offices. Business Associate and Subcontractors shall provide, within ten (10) days of the execution of this agreement, written notice to the Covered Entity’s

contract/grant manager the names and contact information of both the HIPAA Privacy Officer and HIPAA Security Officer. This information must be updated any time either of these contacts changes.

3. Permitted and Required Uses/Disclosures of PHI.

3.1 Except as limited in this Agreement, Business Associate may use or disclose PHI to perform Services, as specified in the underlying grant or contract with Covered Entity. The uses and disclosures of Business Associate are limited to the minimum necessary, to complete the tasks or to provide the services associated with the terms of the underlying agreement. Business Associate shall not use or disclose PHI in any manner that would constitute a violation of the Privacy Rule if used or disclosed by Covered Entity in that manner. Business Associate may not use or disclose PHI other than as permitted or required by this Agreement or as Required by Law.

3.2 Business Associate may make PHI available to its employees who need access to perform Services provided that Business Associate makes such employees aware of the use and disclosure restrictions in this Agreement and binds them to comply with such restrictions. Business Associate may only disclose PHI for the purposes authorized by this Agreement: (a) to its agents and Subcontractors in accordance with Sections 9 and 18 or, (b) as otherwise permitted by Section 3.

3.3 Business Associate shall be directly liable under HIPAA for impermissible uses and disclosures of the PHI it handles on behalf of Covered Entity, and for impermissible uses and disclosures, by Business Associate's Subcontractor(s), of the PHI that Business Associate handles on behalf of Covered Entity and that it passes on to Subcontractors.

4. Business Activities. Business Associate may use PHI received in its capacity as a Business Associate to Covered Entity if necessary for Business Associate's proper management and administration or to carry out its legal responsibilities. Business Associate may disclose PHI received in its capacity as Business Associate to Covered Entity for Business Associate's proper management and administration or to carry out its legal responsibilities if a disclosure is Required by Law or if Business Associate obtains reasonable written assurances via a written agreement from the person to whom the information is to be disclosed that the PHI shall remain confidential and be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the Agreement requires the person or entity to notify Business Associate, within two (2) business days (who in turn will notify Covered Entity within two (2) business days after receiving notice of a Breach as specified in Section 6.1), in writing of any Breach of Unsecured PHI of which it is aware. Uses and disclosures of PHI for the purposes identified in Section 3 must be of the minimum amount of PHI necessary to accomplish such purposes.

5. Safeguards. Business Associate, its Agent(s) and Subcontractor(s) shall implement and use appropriate safeguards to prevent the use or disclosure of PHI other than as provided for by this Agreement. With respect to any PHI that is maintained in or transmitted by electronic media, Business Associate or its Subcontractor(s) shall comply with 45 CFR sections 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards) and 164.316 (policies and procedures and documentation requirements). Business Associate or its Agent(s) and Subcontractor(s) shall identify in writing upon request from Covered Entity all of the safeguards that it uses to prevent impermissible uses or disclosures of PHI.

6. Documenting and Reporting Breaches.

6.1 Business Associate shall report to Covered Entity any Breach of Unsecured PHI, including Breaches reported to it by a Subcontractor, as soon as it (or any of its employees or agents) becomes aware of any such Breach, and in no case later than two (2) business days after it (or any of its employees or agents) becomes aware of the Breach, except when a law enforcement official determines that a notification would impede a criminal investigation or cause damage to national security.

6.2 Business Associate shall provide Covered Entity with the names of the individuals whose

Unsecured PHI has been, or is reasonably believed to have been, the subject of the Breach and any other available information that is required to be given to the affected individuals, as set forth in 45 CFR § 164.404(c), and, if requested by Covered Entity, information necessary for Covered Entity to investigate the impermissible use or disclosure. Business Associate shall continue to provide to Covered Entity information concerning the Breach as it becomes available to it. Business Associate shall require its Subcontractor(s) to agree to these same terms and conditions.

6.3 When Business Associate determines that an impermissible acquisition, use or disclosure of PHI by a member of its workforce is not a Breach, as that term is defined in 45 CFR § 164.402, and therefore does not necessitate notice to the impacted individual(s), it shall document its assessment of risk, conducted as set forth in 45 CFR § 402(2). When requested by Covered Entity, Business Associate shall make its risk assessments available to Covered Entity. It shall also provide Covered Entity with 1) the name of the person(s) making the assessment, 2) a brief summary of the facts, and 3) a brief statement of the reasons supporting the determination of low probability that the PHI had been compromised. When a breach is the responsibility of a member of its Subcontractor's workforce, Business Associate shall either 1) conduct its own risk assessment and draft a summary of the event and assessment or 2) require its Subcontractor to conduct the assessment and draft a summary of the event. In either case, Business Associate shall make these assessments and reports available to Covered Entity.

6.4 Business Associate shall require, by contract, a Subcontractor to report to Business Associate and Covered Entity any Breach of which the Subcontractor becomes aware, no later than two (2) business days after becomes aware of the Breach.

7. **Mitigation and Corrective Action.** Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to it of an impermissible use or disclosure of PHI, even if the impermissible use or disclosure does not constitute a Breach. Business Associate shall draft and carry out a plan of corrective action to address any incident of impermissible use or disclosure of PHI. If requested by Covered Entity, Business Associate shall make its mitigation and corrective action plans available to Covered Entity. Business Associate shall require a Subcontractor to agree to these same terms and conditions.

8. **Providing Notice of Breaches.**

8.1 If Covered Entity determines that an impermissible acquisition, access, use or disclosure of PHI for which one of Business Associate's employees or agents was responsible constitutes a Breach as defined in 45 CFR § 164.402, and if requested by Covered Entity, Business Associate shall provide notice to the individual(s) whose PHI has been the subject of the Breach. When requested to provide notice, Business Associate shall consult with Covered Entity about the timeliness, content and method of notice, and shall receive Covered Entity's approval concerning these elements. The cost of notice and related remedies shall be borne by Business Associate.

8.2 If Covered Entity or Business Associate determines that an impermissible acquisition, access, use or disclosure of PHI by a Subcontractor of Business Associate constitutes a Breach as defined in 45 CFR § 164.402, and if requested by Covered Entity or Business Associate, Subcontractor shall provide notice to the individual(s) whose PHI has been the subject of the Breach. When Covered Entity requests that Business Associate or its Subcontractor provide notice, Business Associate shall either 1) consult with Covered Entity about the specifics of the notice as set forth in section 8.1, above, or 2) require, by contract, its Subcontractor to consult with Covered Entity about the specifics of the notice as set forth in section 8.1

8.3 The notice to affected individuals shall be provided as soon as reasonably possible and in no case later than 60 calendar days after Business Associate reported the Breach to Covered Entity.

8.4 The notice to affected individuals shall be written in plain language and shall include, to the extent possible, 1) a brief description of what happened, 2) a description of the types of Unsecured PHI that were involved in the Breach, 3) any steps individuals can take to protect themselves from potential harm resulting from the Breach, 4) a brief description of what the Business Associate is doing to investigate the Breach, to mitigate harm to individuals and to protect against further Breaches, and 5) contact procedures

for individuals to ask questions or obtain additional information, as set forth in 45 CFR § 164.404(c).

8.5 Business Associate shall notify individuals of Breaches as specified in 45 CFR § 164.404(d) (methods of individual notice). In addition, when a Breach involves more than 500 residents of Vermont, Business Associate shall, if requested by Covered Entity, notify prominent media outlets serving Vermont, following the requirements set forth in 45 CFR § 164.406.

9. **Agreements with Subcontractors.** Business Associate shall enter into a Business Associate Agreement with any Subcontractor to whom it provides PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity in which the Subcontractor agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such PHI. Business Associate must enter into this Business Associate Agreement before any use by or disclosure of PHI to such agent. The written agreement must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the agreement concerning the use or disclosure of PHI. Business Associate shall provide a copy of the Business Associate Agreement it enters into with a subcontractor to Covered Entity upon request. Business associate may not make any disclosure of PHI to any Subcontractor without prior written consent of Covered Entity.

10. **Access to PHI.** Business Associate shall provide access to PHI in a Designated Record Set to Covered Entity or as directed by Covered Entity to an Individual to meet the requirements under 45 CFR § 164.524. Business Associate shall provide such access in the time and manner reasonably designated by Covered Entity. Within three (3) business days, Business Associate shall forward to Covered Entity for handling any request for access to PHI that Business Associate directly receives from an Individual.

11. **Amendment of PHI.** Business Associate shall make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR § 164.526, whether at the request of Covered Entity or an Individual. Business Associate shall make such amendments in the time and manner reasonably designated by Covered Entity. Within three (3) business days, Business Associate shall forward to Covered Entity for handling any request for amendment to PHI that Business Associate directly receives from an Individual.

12. **Accounting of Disclosures.** Business Associate shall document disclosures of PHI and all information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528. Business Associate shall provide such information to Covered Entity or as directed by Covered Entity to an Individual, to permit Covered Entity to respond to an accounting request. Business Associate shall provide such information in the time and manner reasonably designated by Covered Entity. Within three (3) business days, Business Associate shall forward to Covered Entity for handling any accounting request that Business Associate directly receives from an Individual.

13. **Books and Records.** Subject to the attorney-client and other applicable legal privileges, Business Associate shall make its internal practices, books, and records (including policies and procedures and PHI) relating to the use and disclosure of PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity available to the Secretary of HHS in the time and manner designated by the Secretary. Business Associate shall make the same information available to Covered Entity, upon Covered Entity's request, in the time and manner reasonably designated by Covered Entity so that Covered Entity may determine whether Business Associate is in compliance with this Agreement.

14. **Termination.**

14.1 This Agreement commences on the Effective Date and shall remain in effect until terminated by Covered Entity or until all of the PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity is destroyed or returned to Covered Entity subject to Section 19.8.

14.2 If Business Associate breaches any material term of this Agreement, Covered Entity may either: (a) provide an opportunity for Business Associate to cure the breach and Covered Entity may terminate the contract or grant without liability or penalty if Business Associate does not cure the breach within the time specified by Covered Entity; or (b) immediately terminate the contract or grant without liability or penalty if Covered Entity believes that cure is not reasonably possible; or (c) if neither termination nor cure are feasible, Covered Entity shall report the breach to the Secretary. Covered Entity has the right to seek to cure any breach by Business Associate and this right, regardless of whether Covered Entity cures such breach, does not lessen any right or remedy available to Covered Entity at law, in equity, or under the contract or grant, nor does it lessen Business Associate's responsibility for such breach or its duty to cure such breach.

15. Return/Destruction of PHI.

15.1 Business Associate in connection with the expiration or termination of the contract or grant shall return or destroy, at the discretion of the Covered Entity, all PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity pursuant to this contract or grant that Business Associate still maintains in any form or medium (including electronic) within thirty (30) days after such expiration or termination. Business Associate shall not retain any copies of the PHI. Business Associate shall certify in writing for Covered Entity (1) when all PHI has been returned or destroyed and (2) that Business Associate does not continue to maintain any PHI. Business Associate is to provide this certification during this thirty (30) day period.

15.2 Business Associate shall provide to Covered Entity notification of any conditions that Business Associate believes make the return or destruction of PHI infeasible. If Covered Entity agrees that return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible for so long as Business Associate maintains such PHI. This shall also apply to all Agents and Subcontractors of Business Associate.

16. Penalties. Business Associate understands that: (a) there may be civil or criminal penalties for misuse or misappropriation of PHI and (b) violations of this Agreement may result in notification by Covered Entity to law enforcement officials and regulatory, accreditation, and licensure organizations.

17. Training. Business Associate understands that it is its obligation to comply with the law and shall provide appropriate training and education to ensure compliance with this Agreement. If requested by Covered Entity, Business Associate shall participate in AHS training regarding the use, confidentiality, and security of PHI, however, participation in such training shall not supplant nor relieve Business Associate of its obligations under this Agreement to independently assure compliance with the law and this Agreement.

18. Security Rule Obligations. The following provisions of this section apply to the extent that Business Associate creates, receives, maintains or transmits Electronic PHI on behalf of Covered Entity.

18.1 Business Associate shall implement and use administrative, physical, and technical safeguards in compliance with 45 CFR sections 164.308, 164.310, and 164.312 with respect to the Electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate shall identify in writing upon request from Covered Entity all of the safeguards that it uses to protect such Electronic PHI.

18.2 Business Associate shall ensure that any Agent and Subcontractor to whom it provides Electronic PHI agrees in a written agreement to implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI. Business Associate must enter into this written agreement before any use or disclosure of Electronic PHI by such Agent or Subcontractor. The written agreement must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the agreement concerning the use

or disclosure of Electronic PHI. Business Associate shall provide a copy of the written agreement to Covered Entity upon request. Business Associate may not make any disclosure of Electronic PHI to any Agent or Subcontractor without the prior written consent of Covered Entity.

18.3 Business Associate shall report in writing to Covered Entity any Security Incident pertaining to such Electronic PHI (whether involving Business Associate or an Agent or Subcontractor). Business Associate shall provide this written report as soon as it becomes aware of any such Security Incident, and in no case later than two (2) business days after it becomes aware of the incident. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate any such Security Incident.

18.4 Business Associate shall comply with any reasonable policies and procedures Covered Entity implements to obtain compliance under the Security Rule.

19. Miscellaneous.

19.1 In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the contract/grant, the terms of this Agreement shall govern with respect to its subject matter. Otherwise, the terms of the contract/grant continue in effect.

19.2 Business Associate shall cooperate with Covered Entity to amend this Agreement from time to time as is necessary for Covered Entity to comply with the Privacy Rule, the Security Rule, or any other standards promulgated under HIPAA.

19.3 Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule, Security Rule, or any other standards promulgated under HIPAA.

19.4 In addition to applicable Vermont law, the parties shall rely on applicable federal law (e.g., HIPAA, the Privacy Rule and Security Rule, and the HIPAA omnibus final rule) in construing the meaning and effect of this Agreement.

19.5 As between Business Associate and Covered Entity, Covered Entity owns all PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity.

19.6 Business Associate shall abide by the terms and conditions of this Agreement with respect to all PHI it receives from Covered Entity or creates or receives on behalf of Covered Entity even if some of that information relates to specific services for which Business Associate may not be a "Business Associate" of Covered Entity under the Privacy Rule.

19.7 Business Associate is prohibited from directly or indirectly receiving any remuneration in exchange for an individual's PHI. Business Associate will refrain from marketing activities that would violate HIPAA, including specifically Section 13406 of the HITECH Act. Reports or data containing the PHI may not be sold without Agency's or the affected individual's written consent.

19.8 The provisions of this Agreement that by their terms encompass continuing rights or responsibilities shall survive the expiration or termination of this Agreement. For example: (a) the provisions of this Agreement shall continue to apply if Covered Entity determines that it would be infeasible for Business Associate to return or destroy PHI as provided in Section 14.2 and (b) the obligation of Business Associate to provide an accounting of disclosures as set forth in Section 12 survives the expiration or termination of this Agreement with respect to accounting requests, if any, made after such expiration or termination.

ATTACHMENT F
AGENCY OF HUMAN SERVICES' CUSTOMARY CONTRACT/GRANT PROVISIONS

1. **Definitions:** For purposes of this Attachment F, the term "Agreement" shall mean the form of the contract or grant, with all of its parts, into which this Attachment F is incorporated. The meaning of the term "Party" when used in this Attachment F shall mean any named party to this Agreement *other than* the State of Vermont, the Agency of Human Services (AHS) and any of the departments, boards, offices and business units named in this Agreement. As such, the term "Party" shall mean, when used in this Attachment F, the Contractor or Grantee with whom the State of Vermont is executing this Agreement. If Party, when permitted to do so under this Agreement, seeks by way of any subcontract, sub-grant or other form of provider agreement to employ any other person or entity to perform any of the obligations of Party under this Agreement, Party shall be obligated to ensure that all terms of this Attachment F are followed. As such, the term "Party" as used herein shall also be construed as applicable to, and describing the obligations of, any subcontractor, sub-recipient or sub-grantee of this Agreement. Any such use or construction of the term "Party" shall not, however, give any subcontractor, sub-recipient or sub-grantee any substantive right in this Agreement without an express written agreement to that effect by the State of Vermont.
2. **Agency of Human Services:** The Agency of Human Services is responsible for overseeing all contracts and grants entered by any of its departments, boards, offices and business units, however denominated. The Agency of Human Services, through the business office of the Office of the Secretary, and through its Field Services Directors, will share with any named AHS-associated party to this Agreement oversight, monitoring and enforcement responsibilities. Party agrees to cooperate with both the named AHS-associated party to this contract and with the Agency of Human Services itself with respect to the resolution of any issues relating to the performance and interpretation of this Agreement, payment matters and legal compliance.
3. **Medicaid Program Parties** (*applicable to any Party providing services and supports paid for under Vermont's Medicaid program and Vermont's Global Commitment to Health Waiver*):

Inspection and Retention of Records: In addition to any other requirement under this Agreement or at law, Party must fulfill all state and federal legal requirements, and will comply with all requests appropriate to enable the Agency of Human Services, the U.S. Department of Health and Human Services (along with its Inspector General and the Centers for Medicare and Medicaid Services), the Comptroller General, the Government Accounting Office, or any of their designees: (i) to evaluate through inspection or other means the quality, appropriateness, and timeliness of services performed under this Agreement; and (ii) to inspect and audit any records, financial data, contracts, computer or other electronic systems of Party relating to the performance of services under Vermont's Medicaid program and Vermont's Global Commitment to Health Waiver. Party will retain for ten years all documents required to be retained pursuant to 42 CFR 438.3(u).

Subcontracting for Medicaid Services: Notwithstanding any permitted subcontracting of services to be performed under this Agreement, Party shall remain responsible for ensuring that this Agreement is fully performed according to its terms, that subcontractor remains in compliance with the terms hereof, and that subcontractor complies with all state and federal laws and regulations relating to the Medicaid program in Vermont. Subcontracts, and any service provider agreements entered into by Party in connection with the performance of this Agreement, must clearly specify in writing the responsibilities of the subcontractor or other service provider and Party must retain the authority to revoke its subcontract or service provider agreement or to impose other sanctions if the performance of the subcontractor or service provider is inadequate or if its performance deviates from any requirement of this Agreement. Party shall make available on request all contracts, subcontracts and service provider agreements between the Party, subcontractors and other service providers to the Agency of Human Services and any of its departments as well as to the Center for Medicare and Medicaid Services.

Medicaid Notification of Termination Requirements: Party shall follow the Department of Vermont Health Access Managed-Care-Organization enrollee-notification requirements, to include the requirement that Party provide timely notice of any termination of its practice.

Encounter Data: Party shall provide encounter data to the Agency of Human Services and/or its departments and ensure further that the data and services provided can be linked to and supported by enrollee eligibility files maintained by the State.

Federal Medicaid System Security Requirements Compliance: Party shall provide a security plan, risk assessment, and security controls review document within three months of the start date of this Agreement (and update it annually thereafter) in order to support audit compliance with 45 CFR 95.621 subpart F, *ADP System Security Requirements and Review Process*.

4. Workplace Violence Prevention and Crisis Response (*applicable to any Party and any subcontractors and sub-grantees whose employees or other service providers deliver social or mental health services directly to individual recipients of such services*):

Party shall establish a written workplace violence prevention and crisis response policy meeting the requirements of Act 109 (2016), 33 VSA §8201(b), for the benefit of employees delivering direct social or mental health services. Party shall, in preparing its policy, consult with the guidelines promulgated by the U.S. Occupational Safety and Health Administration for *Preventing Workplace Violence for Healthcare and Social Services Workers*, as those guidelines may from time to time be amended.

Party, through its violence protection and crisis response committee, shall evaluate the efficacy of its policy, and update the policy as appropriate, at least annually. The policy and any written evaluations thereof shall be provided to employees delivering direct social or mental health services.

Party will ensure that any subcontractor and sub-grantee who hires employees (or contracts with service providers) who deliver social or mental health services directly to individual recipients of such services, complies with all requirements of this Section.

5. Non-Discrimination:

Party shall not discriminate, and will prohibit its employees, agents, subcontractors, sub-grantees and other service providers from discrimination, on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under Title IX of the Education Amendments of 1972, and on the basis of race, color or national origin under Title VI of the Civil Rights Act of 1964. Party shall not refuse, withhold from or deny to any person the benefit of services, facilities, goods, privileges, advantages, or benefits of public accommodation on the basis of disability, race, creed, color, national origin, marital status, sex, sexual orientation or gender identity as provided by Title 9 V.S.A. Chapter 139.

No person shall on the grounds of religion or on the grounds of sex (including, on the grounds that a woman is pregnant), be excluded from participation in, be denied the benefits of, or be subjected to discrimination, to include sexual harassment, under any program or activity supported by State of Vermont and/or federal funds.

Party further shall comply with the non-discrimination requirements of Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d, et seq., and with the federal guidelines promulgated pursuant to Executive Order 13166 of 2000, requiring that contractors and subcontractors receiving federal funds assure that persons

with limited English proficiency can meaningfully access services. To the extent Party provides assistance to individuals with limited English proficiency through the use of oral or written translation or interpretive services, such individuals cannot be required to pay for such services.

6. Employees and Independent Contractors:

Party agrees that it shall comply with the laws of the State of Vermont with respect to the appropriate classification of its workers and service providers as “employees” and “independent contractors” for all purposes, to include for purposes related to unemployment compensation insurance and workers compensation coverage, and proper payment and reporting of wages. Party agrees to ensure that all of its subcontractors or sub-grantees also remain in legal compliance as to the appropriate classification of “workers” and “independent contractors” relating to unemployment compensation insurance and workers compensation coverage, and proper payment and reporting of wages. Party will on request provide to the Agency of Human Services information pertaining to the classification of its employees to include the basis for the classification. Failure to comply with these obligations may result in termination of this Agreement.

7. Data Protection and Privacy:

Protected Health Information: Party shall maintain the privacy and security of all individually identifiable health information acquired by or provided to it as a part of the performance of this Agreement. Party shall follow federal and state law relating to privacy and security of individually identifiable health information as applicable, including the Health Insurance Portability and Accountability Act (HIPAA) and its federal regulations.

Substance Abuse Treatment Information: Substance abuse treatment information shall be maintained in compliance with 42 C.F.R. Part 2 if the Party or subcontractor(s) are Part 2 covered programs, or if substance abuse treatment information is received from a Part 2 covered program by the Party or subcontractor(s).

Protection of Personal Information: Party agrees to comply with all applicable state and federal statutes to assure protection and security of personal information, or of any personally identifiable information (PII), including the Security Breach Notice Act, 9 V.S.A. § 2435, the Social Security Number Protection Act, 9 V.S.A. § 2440, the Document Safe Destruction Act, 9 V.S.A. § 2445 and 45 CFR 155.260. As used here, PII shall include any information, in any medium, including electronic, which can be used to distinguish or trace an individual’s identity, such as his/her name, social security number, biometric records, etc., either alone or when combined with any other personal or identifiable information that is linked or linkable to a specific person, such as date and place of birth, mother’s maiden name, etc.

Other Confidential Consumer Information: Party agrees to comply with the requirements of AHS Rule No. 08-048 concerning access to and uses of personal information relating to any beneficiary or recipient of goods, services or other forms of support. Party further agrees to comply with any applicable Vermont State Statute and other regulations respecting the right to individual privacy. Party shall ensure that all of its employees, subcontractors and other service providers performing services under this agreement understand and preserve the sensitive, confidential and non-public nature of information to which they may have access.

Data Breaches: Party shall report to AHS, through its Chief Information Officer (CIO), any impermissible use or disclosure that compromises the security, confidentiality or privacy of any form of protected personal information identified above within 24 hours of the discovery of the breach. Party shall in addition comply with any other data breach notification requirements required under federal or state law.

8. Abuse and Neglect of Children and Vulnerable Adults:

Abuse Registry. Party agrees not to employ any individual, to use any volunteer or other service provider, or to otherwise provide reimbursement to any individual who in the performance of services connected with this agreement provides care, custody, treatment, transportation, or supervision to children or to vulnerable adults if there has been a substantiation of abuse or neglect or exploitation involving that individual. Party is responsible for confirming as to each individual having such contact with children or vulnerable adults the non-existence of a substantiated allegation of abuse, neglect or exploitation by verifying that fact though (a) as to vulnerable adults, the Adult Abuse Registry maintained by the Department of Disabilities, Aging and Independent Living and (b) as to children, the Central Child Protection Registry (unless the Party holds a valid child care license or registration from the Division of Child Development, Department for Children and Families). See 33 V.S.A. §4919(a)(3) and 33 V.S.A. §6911(c)(3).

Reporting of Abuse, Neglect, or Exploitation. Consistent with provisions of 33 V.S.A. §4913(a) and §6903, Party and any of its agents or employees who, in the performance of services connected with this agreement, (a) is a caregiver or has any other contact with clients and (b) has reasonable cause to believe that a child or vulnerable adult has been abused or neglected as defined in Chapter 49 or abused, neglected, or exploited as defined in Chapter 69 of Title 33 V.S.A. shall: as to children, make a report containing the information required by 33 V.S.A. §4914 to the Commissioner of the Department for Children and Families within 24 hours; or, as to a vulnerable adult, make a report containing the information required by 33 V.S.A. §6904 to the Division of Licensing and Protection at the Department of Disabilities, Aging, and Independent Living within 48 hours. Party will ensure that its agents or employees receive training on the reporting of abuse or neglect to children and abuse, neglect or exploitation of vulnerable adults.

9. Information Technology Systems:

Computing and Communication: Party shall select, in consultation with the Agency of Human Services' Information Technology unit, one of the approved methods for secure access to the State's systems and data, if required. Approved methods are based on the type of work performed by the Party as part of this agreement. Options include, but are not limited to:

1. Party's provision of certified computing equipment, peripherals and mobile devices, on a separate Party's network with separate internet access. The Agency of Human Services' accounts may or may not be provided.
2. State supplied and managed equipment and accounts to access state applications and data, including State issued active directory accounts and application specific accounts, which follow the National Institutes of Standards and Technology (NIST) security and the Health Insurance Portability & Accountability Act (HIPAA) standards.

Intellectual Property/Work Product Ownership: All data, technical information, materials first gathered, originated, developed, prepared, or obtained as a condition of this agreement and used in the performance of this agreement -- including, but not limited to all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and printouts, notes and memoranda, written procedures and documents, which are prepared for or obtained specifically for this agreement, or are a result of the services required under this grant -- shall be considered "work for hire" and remain the property of the State of Vermont, regardless of the state of completion unless otherwise specified in this agreement. Such items shall be delivered to the State of Vermont upon 30-days notice by the State. With respect to software computer programs and / or source codes first developed for the State, all the work shall be considered "work for hire," i.e., the State, not the Party (or subcontractor or sub-grantee), shall have full and complete ownership of all software computer programs, documentation and/or source codes developed.

Party shall not sell or copyright a work product or item produced under this agreement without explicit permission from the State of Vermont.

If Party is operating a system or application on behalf of the State of Vermont, Party shall not make information entered into the system or application available for uses by any other party than the State of Vermont, without prior authorization by the State. Nothing herein shall entitle the State to pre-existing Party's materials.

Party acknowledges and agrees that should this agreement be in support of the State's implementation of the Patient Protection and Affordable Care Act of 2010, Party is subject to the certain property rights provisions of the Code of Federal Regulations and a Grant from the Department of Health and Human Services, Centers for Medicare & Medicaid Services. Such agreement will be subject to, and incorporates here by reference, 45 CFR 74.36, 45 CFR 92.34 and 45 CFR 95.617 governing rights to intangible property.

Security and Data Transfers: Party shall comply with all applicable State and Agency of Human Services' policies and standards, especially those related to privacy and security. The State will advise the Party of any new policies, procedures, or protocols developed during the term of this agreement as they are issued and will work with the Party to implement any required.

Party will ensure the physical and data security associated with computer equipment, including desktops, notebooks, and other portable devices, used in connection with this Agreement. Party will also assure that any media or mechanism used to store or transfer data to or from the State includes industry standard security mechanisms such as continually up-to-date malware protection and encryption. Party will make every reasonable effort to ensure media or data files transferred to the State are virus and spyware free. At the conclusion of this agreement and after successful delivery of the data to the State, Party shall securely delete data (including archival backups) from Party's equipment that contains individually identifiable records, in accordance with standards adopted by the Agency of Human Services.

Party, in the event of a data breach, shall comply with the terms of Section 6 above.

10. Other Provisions:

Environmental Tobacco Smoke. Public Law 103-227 (also known as the Pro-Children Act of 1994) and Vermont's Act 135 (2014) (An act relating to smoking in lodging establishments, hospitals, and child care facilities, and on State lands) restrict the use of tobacco products in certain settings. Party shall ensure that no person is permitted: (i) to use tobacco products or tobacco substitutes as defined in 7 V.S.A. § 1001 on the premises, both indoor and outdoor, of any licensed child care center or afterschool program at any time; (ii) to use tobacco products or tobacco substitutes on the premises, both indoor and in any outdoor area designated for child care, health or day care services, kindergarten, pre-kindergarten, elementary, or secondary education or library services; and (iii) to use tobacco products or tobacco substitutes on the premises of a licensed or registered family child care home while children are present and in care. Party will refrain from promoting the use of tobacco products for all clients and from making tobacco products available to minors.

Failure to comply with the provisions of the federal law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. The federal Pro-Children Act of 1994, however, does not apply to portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where Women, Infants, & Children (WIC) coupons are redeemed.

2-1-1 Database: If Party provides health or human services within Vermont, or if Party provides such services near the Vermont border readily accessible to residents of Vermont, Party shall adhere to the "Inclusion/Exclusion" policy of Vermont's United Way/Vermont 211 (Vermont 211), and will provide to Vermont 211 relevant descriptive information regarding its agency, programs and/or contact information as well as accurate and up to date information to its database as requested. The "Inclusion/Exclusion" policy can be found at www.vermont211.org.

Voter Registration: When designated by the Secretary of State, Party agrees to become a voter registration agency as defined by 17 V.S.A. §2103 (41), and to comply with the requirements of state and federal law pertaining to such agencies.

Drug Free Workplace Act: Party will assure a drug-free workplace in accordance with 45 CFR Part 76.

Lobbying: No federal funds under this agreement may be used to influence or attempt to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendments other than federal appropriated funds.

AHS ATT. F 12.31.16

**Appendix I – Required Forms
Department of Vermont Health Access
Subcontractor Compliance Form**

Date: _____

Original Contractor: _____ Contract #: _____

Subcontractor Name: _____

Scope of Subcontracted Services:

Is any portion of the work being outsourced outside of the United States? ☐ YES ☐ NO
(If yes, do not proceed)

All vendors under contract, grant, or agreement with the State of Vermont, are responsible for the performance and compliance of their subcontractors with the Standard State Terms and Conditions in Attachment C. This document certifies that the Vendor is aware of and in agreement with the State expectation and has confirmed the subcontractor is in full compliance (or has a compliance plan on file) in relation to the following:

- ☐ Subcontractor does not owe, is in good standing, or is in compliance with a plan for payment of any taxes due to the State of Vermont.
- ☐ Subcontractor (if an individual) does not owe, is in good standing, or is in compliance with a plan for payment of Child Support due to the State of Vermont.
- ☐ Subcontractor is not on the State's disbarment list.

In accordance with State Standard Contract Provisions (Attachment C), the State may set off any sums which the subcontractor owes the State against any sums due the Vendor under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided in Attachment C.

Signature of Subcontractor

Date

Signature of Vendor

Date

Received by DVHA Business Office

Date

Required: Contractor cannot subcontract until this form has been returned to DVHA Contracts & Grants Unit.

APPENDIX II - Task Order Form

Must be signed by all parties prior to commencement of work

Task Title:	
Responsible Fiscal Party - List Department(s):	
Amount Requested for Approval:	
Affiliate Number/Internal Financial Information:	
Funding Source:	
Effective Dates:	
Project Manager Contact Information:	

1. Scope of Work

2. Deliverables

3. Payment Provisions

Payment terms must specify if payments are based on an hourly rate or deliverables. State estimated hours and rate per hour if payments are based on an hourly rate. Deliverables shall be tied to payment.

Approval:

CSG	Dawn Boland	
Approval Signature		Date
DVHA Business Lead:	Joseph L. Liscinsky	
Approval Signature		Date
DVHA Contract Administrator	Meaghan Kelley	
Approval Signature		Date

Comments: _____